INDUSTRIAL
CONCILIATION AND ARBITRATION.

With compliments of

Carroll D. Wright,

Chief of Bureau of Statistics of Labor.

INDUSTRIAL

CONCILIATION AND ARBITRATION.

COMPILED FROM MATERIAL IN THE POSSESSION OF THE MASSACHUSETTS BUREAU OF STATISTICS OF LABOR, BY DIRECTION OF THE MASSACHUSETTS LEGISLATURE, CHAPTER 43, RESOLVES OF 1881.

BY

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CHIEF.

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INDUSTRIAL CONCILIATION AND ARBITRATION.

THIS pamphlet has been compiled under the authority of the following resolve of the Legislature of Massachusetts, Chapter 43, Resolves of 1881: —

Resolved, That the Chief of the Bureau of Statistics on the Subject of Labor be, and he is hereby, instructed to prepare forthwith, from material now in the possession of the Bureau, a pamphlet upon industrial conciliation and arbitration; and in order that the information contained in such pamphlet may be freely disseminated among the persons most interested, the said Bureau shall cause an edition thereof, not exceeding five thousand copies, to be printed and distributed within the Commonwealth.

[*Approved April 6, 1881.*]

The material in our possession upon the subject of industrial conciliation and arbitration relates to what has been done abroad as well as in this country, and may be conveniently divided into three parts, relating, first, to England; second, to our own Commonwealth; third, to other States. We have therefore observed this order of presentation in the following pages.

The subject was first investigated by this Bureau in 1876, and the results of that investigation were presented in our Eighth Annual Report (March, 1877). The chapter at that time devoted to the topic consisted mainly of an exhaustive account of all that had been attempted in this direction in Massachusetts, accompanied by a *résumé* of what had been accomplished in England, prepared for the Bureau by Alsager Hay Hill, LL.B., of London. This *résumé* was restricted to

the space at our command, and though accurate was necessarily brief.

We now have at our disposal a more complete history of the practical operation of the system in England, for which we are indebted to the comprehensive report of Mr. Joseph D. Weeks, Special Commissioner of the State of Pennsylvania to his Excellency Gov. Hartranft (December, 1878); and as a knowledge of the successes and failures which have attended the English experiments is essential to a thorough understanding of the subject, and properly precedes a consideration of what has been done here, we substitute for the *résumé* of Mr. Hill the more exhaustive report of Mr. Weeks, and present substantially in full, as Part I. of this pamphlet, his account of the origin of industrial conciliation and arbitration in England, and of the practical workings of the system in the hosiery, building, coal, and iron industries, with the author's comments thereon, adding to his remarks respecting other industries some facts derived from Mr. Hill.

Part I.

INDUSTRIAL CONCILIATION AND ARBITRATION IN ENGLAND.

In transmitting to his government the report on this subject, which we now reproduce, the author makes special acknowledgments for aid given him in its preparation to Mr. Rupert Kettle, judge of the county courts of Worcestershire; Mr. A. J. Mundella, M. P.; Mr. B. Samuelson, M. P.; Mr. Thomas Burt, M. P., representative of the colliers; Mr. Ed. Trow, Secretary of the National Amalgamated Iron Workers' Association; Mr. George Howell, formerly secretary of the parliamentary committee of the Trades Union Congress; Mr. George Broadhurst, present secretary of the same; Mr. Alsager Hay Hill, editor of "The Labour News;" Mr. W. H. S. Aubery, editor of "Capital and Labour;" and especially to Mr. Charles Wheeler, of Wolverhampton.

He also says, —

"I found, at the beginning of my inquiries, that though there were at least three laws on the statute books of England on this subject, they were virtually dead letters, and therefore I directed my attention to the workings of the voluntary Boards of Arbitration and Conciliation that exist in a number of the trades of that country; and have given, in this report, some account of their operations, with copies of the rules of the most important. These rules will be found in appendices to the report, together with the latest act of Parliament on the subject of arbitration.

"The condition of the laboring class, and the strength and extent of the labor organizations, were subjects to which I was forced to devote considerable attention, in order to correctly understand and appreciate the workings of arbitration; but I have touched upon these subjects incidentally, and only so far as was necessary to an understanding of the difficulties to be overcome."

The report then continues as follows : —

SECTION I.

PRELIMINARY. CONSEILS DES PRUD'HOMMES.

ARBITRATION IN ENGLAND PRIOR TO 1860.

Industrial arbitration and conciliation had their origin in France early in the present century. The system established was the outgrowth of the trade guilds which had existed in that country, and regulated trade matters, in some cases from the Middle Ages. These were abolished during the last days of the monarchy of Louis XVI., a time when the constitution of industrial as well as political society was being overturned. After a few years of imperfect legislation, in 1806, at the request of the workingmen of Lyons and by command of the First Napoleon, courts of arbitration and conciliation were established by law. These, with some slight modification, have continued until the present under the title of "Conseils des Prud'hommes." These councils are judicial tribunals, constituted under authority of the Minister of Commerce, through the Chambers of Commerce, which are established at important trade centres of that country. They are composed of an equal number of employer and workingmen members, each class electing its own representatives, with a president and vice-president named by the Government. The authority of these councils extends to every conceivable question that can arise in the workshop, not only between the workman and his employer, but between the workman and his apprentice or his foreman. There is but one question they cannot settle — future rates of wages; but even this can be done by mutual agreement. Arbitration is compulsory upon the application of either, and the decisions of the court can be enforced the same as those of any other court of law.

The workings of these courts have been beneficial to French industry, especially in conciliation, by which more than ninety per cent of all cases brought before the tribunals are settled. In 1847, the sixty-nine councils then in existence had before them 19,271 cases, of which 17,951 were settled by conciliation in the private bureau, 519 more by open conciliation, and in only 529 cases was it necessary to have formal judgment. In 1850,

of 28,000 cases, 26,800 were settled by conciliation. There were, at the close of 1874, 112 councils in France. This is a most satisfactory showing; but it falls far short of expressing the great benefit these councils have been to French industry, especially in removing causes of differences or in preventing them from growing into disputes. Their success is sufficient justification of the praise so lavishly bestowed upon them by M. Chevalier, "*Une des plus nobles créations dont notre siècle l'honore.*"

Tribunals similar to the *Conseils des Prud'hommes*, of France, are in existence in Belgium. Their success, however, has not been as marked as in France, owing in part, no doubt, to the fact that they have in some cases criminal jurisdiction.

In Great Britain, though a law somewhat similar in its character to that of France, and evidently framed from it, has been on the statute books since the fifth year of the reign of George IV. (1824), so little use has been made of its provisions that its existence was practically forgotten. England did not possess the organizations necessary to its successful workings, and the compulsory features seem especially obnoxious to both employer and employed. As Mr. Rupert Kettle, to whom the cause of industrial arbitration owes such a heavy debt, says, "It is agreed that, according to the spirit of our laws and the freedom of our people, any procedure, to be popular, must be accepted voluntarily by both contending parties."[1] The history of arbitration and conciliation in Great Britain fully justifies this remark.

Previous to 1860, a year which marks an epoch in the history of industrial arbitration in England, it had frequently been applied to the settlement of industrial disputes. Legal sanctions, however, were never sought for the awards. They were loyally accepted without any constraint, except a man's sense of honor, and a certain *esprit du corps*, both among the employers and employed. These arbitrations were not only frequent, but in some trades were systematically used in every dispute which arose. The pottery trade furnishes a very good example of continuous and successful arbitration. In this industry, — one of the most difficult in which to harmonize the conflicting views of capital and labor, by reason of the large number of trades into which labor is divided, and the peculiar

[1] Strikes and Arbitrations, p. 26. London, 1866.

customs that have come to be regarded as rights, — in this trade there has not been a general strike since 1836; and the reason given is that disputes have been invariably settled by arbitration. The yearly "contracts for hiring" contained the following clause: "If any dispute arise between the parties as to the prices or wages to be paid, by virtue of such an agreement, the dispute shall be referred to an arbitration board of six persons, to consist of three manufacturers, chosen by the masters, and three working potters, elected by the workingmen." This clause does not provide for a board to settle future rates of wages; but both sides have formed what may be called the habit of arbitrating, and they have appealed to this principle in trouble. As a result, for over thirty years this clause has prevented strikes in this trade.

It is not necessary to extend this report by giving other examples, showing the history and success of arbitration prior to 1860. It was often appealed to in many trades, though in none does it appear to have worked as well, or to have been tried so continuously, as in the pottery trade. There had, as the result of these trials, grown up, especially among the workpeople, a decided feeling in favor of industrial arbitration, and a willingness to give it a trial, which, doubtless, rendered the attempts to establish it as a principle much surer of success.

SECTION II.

THE ESTABLISHMENT OF VOLUNTARY PERMANENT BOARDS OF ARBITRATION AND CONCILIATION IN ENGLAND.

DIFFERENCE BETWEEN ARBITRATION AND CONCILIATION.

As already stated, the year 1860 marked an epoch in the history of arbitration and conciliation in Great Britain, and gave it a new character, one more in accordance with the tone of modern thought and the changed relations of capital and labor.

Late in that year, mainly through the efforts of Mr. A. J. Mundella, the first permanent or continuous board of arbitration and conciliation in England was established, in the hosiery and glove trade, at Nottingham. Mr. Henry Crompton, in his admirable little work on "Industrial Conciliation," in speaking of the establishment of this board says,[1] "Mr. Mundella must

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be regarded as the inventor of systematic industrial conciliation." In view of the fact stated in the previous section, that the large majority of cases brought before the *Conseils des Prud'-hommes* were settled by conciliation in the private bureau, this claim can hardly be made for Mr. Mundella. The distinguishing feature of the board organized by his efforts, and at the same time the marked characteristic of arbitration since 1860, is that it is systematic conciliation or arbitration organized on a purely voluntary basis, without an appeal to legal processes, even to enforce its decisions. That is, its novelty is not that it is systematic — the French *Conseils* were that — but that it is both systematic and voluntary, and these the French prototypes were not.

The voluntary feature of these boards is one to which I desire to call particular attention. Both Mr. Mundella and Mr. Kettle, to whom the cause of arbitration and conciliation in England owes much that it is, and who represent somewhat diverse views on the subject, agree that these boards should be voluntary, and not compulsory. Though there are acts of Parliament which provide compulsory legal powers, by which either side can compel the other to arbitrate on any dispute, these powers have never, in a single instance, so far as I could learn, been used; but the large number of differences that have been settled by arbitration in Great Britain in the last eighteen years have all been voluntary in their submission, and in the enforcement of the award. Mr. Kettle would provide, that, in certain cases, the awards should become part of the contract between the employer and the employed, to be enforced at law as any other contract; but, as these contracts can be terminated by a short time-notice, it does not take away from the voluntary nature of the arbitrations under what is known as the Wolverhampton system. How this voluntary feature has worked in practice, will be evident in the course of this report.

In discussing this subject, it is very important at the outset to distinguish between arbitration and conciliation. Though the former is a generic word, and the one more commonly used in referring to the system, there is an essential and important difference between arbitration and conciliation. Unless this is clearly impressed on the mind, and the scope and working of each clearly understood, it will be impossible to learn the secret of the success that has attended these boards, and the reason of

their continued existence. Arbitration deals with the larger questions of trade, conciliation with the smaller; arbitration with the whole trade, conciliation oftener with the individuals. Conciliation is not formal: it does not attempt to sit in judgment, and decide in a given case what is right and what is wrong; but its efforts are, in a friendly spirit, to adjust differences by inducing the parties to agree themselves. It removes causes of dissensions, and prevents differences from becoming disputes, by establishing a cordial feeling between those who may be parties to the same. Conciliation, in a word, may be defined as informal arbitration. Arbitration, on the other hand, is formal. It sits in judgment. It implies that matters in dispute by mutual consent or by previous contract have been submitted to arbiters, and an umpire, whose decision is final and binding on both parties. Mr. Crompton, in his work on "Industrial Conciliation," says [1] when contrasting arbitration and conciliation, "conciliation aims at something higher, — at doing before the fact that which arbitration accomplishes after. It seeks to prevent and remove the causes of dispute before they arise, to adjust differences and claims before they become disputes. A board of conciliation deals with matters that could not be arbitrated upon, promoting the growth of beneficial customs, interfering in the smaller details of industrial life, modifying or removing some of the worst evils incidental to modern industry, such, for example, as the truck system, or the wrongs which workmen suffer at the hands of middlemen and overseers."

It is this preventive feature that gives conciliation a value beyond estimation. It is a most admirable and praiseworthy object, to provide means for settling disputes when they have arisen. It is much more desirable to prevent them from arising; and the tendency of conciliation is to do this, by removing the old feelings of bitterness, by inspiring respect for each other, and fostering, at the same time, a spirit of independence, and compelling a recognition of the dignity and worth of labor and the necessity and beneficence of capital.

And yet, after all that may be said in praise of conciliation, it is conceded, even by its warmest advocates, that back of all conciliation there must be arbitration. The time may come, and, in the settlement of certain questions, generally will come, when no friendly offices are sufficent to enable capital and labor

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to see alike. Self interest renders it impossible for either to decide fairly, and something more than a master of ceremonies or a conciliator is needed. There must be power to determine as well as hear. That is, arbitration must intervene, and its decisions accomplish what conciliation is powerless to bring about.

To show the workings of arbitration and conciliation, I have given in the following pages a detailed account of the organization and operation of several of the most prominent boards. The records are mainly those of arbitration, not of conciliation, as in war it is the battles that are recorded, not the skirmishes and movements for position.

SECTION III.

THE NOTTINGHAM SYSTEM OF ARBITRATION AND CONCILIATION.

The so-called Nottingham system of arbitration or conciliation owes its establishment to Mr. A. J. Mundella, at present one of the members for Sheffield of the House of Commons. Mr. Mundella has been most earnest and untiring in his efforts to make arbitration the prevailing and recognized method of settling all disputes that may arise between labor and capital; and it is not too much to say, that to his intelligent efforts much of the success that has attended conciliation is due.

The hosiery and glove trade, with which Mr. Mundella is connected, is one of the most localized in Great Britain, being carried on only in the immediate vicinity of Nottingham, in Nottinghamshire, Derbyshire, and Leicestershire. I need not point out that such a concentration of one class of skilled labor led to union, and a consequent power not always judiciously used. According to all accounts, the relations between employers and employed in these trades, prior to 1860, were as ugly as could well be imagined. From 1710 to 1820, there is a frightful list of murders, riots, arsons, and machine-breaking recorded, all arising out of industrial differences. An act was passed by Parliament, early in the century, punishing machine-breaking with death; and in 1816 six persons suffered this penalty. In the remaining forty years of the century and a half from 1710, while the worst features of this industrial strife nearly or quite disappeared, the relations were in no wise im-

proved, though the strife assumed a different form. Suspicion, distrust, hatred, were the sentiments cherished towards the manufacturers by the workmen; and arrogance, oppression, and an equally strong hatred were returned. War, or at least an illy-kept armistice, was the condition of the hostile camps. Strikes and lock-outs were constantly occurring, and no judicious, honest effort was made to end them. In 1860, there were three strikes in one of the three branches into which the hosiery trade is divided, one lasting eleven weeks. It was during this strike that the Board of Arbitration and Conciliation was formed. Though the strike was confined to one branch, it was soon discovered that it was supported by the workingmen in the other branches, and, in what they considered self-defence, it was proposed by the manufacturers to lock out the entire body of workingmen in all branches. Some of the manufacturers, Mr. Mundella among them, shrank from the misery and suffering, and perhaps crime, that would be the esult. "Some of us thought," says Mr. Mundella,[1] "that we might devise some better means of settling the thing. I had heard of the *Conseils des Prud'hommes* in France; and with one or two others I built up a scheme in my imagination of what I thought might be done to get a good understanding with our men, and regulate wages."

At a meeting of the manufacturers, a committee of three was appointed to invite the workmen to a conference, which they accepted. "We three," to quote Mr. Mundella again,[1] "met perhaps a dozen leaders of the trades union; and we consulted with these men, told them that the present plan was a bad one, that it seemed to us that they took every advantage of us when we had a demand, and we took every advantage of them when trade was bad, and it was a system mutually predatory. And there is no doubt that it was so: we pressed down the price as low as we could, and they pressed up the price as high as they could. This often caused a strike in pressing it down, and a strike in getting it up; and these strike were most ruinous and injurious to all parties, because, when we might have been supplying our customers, our machinery was idle; and we suggested whether we could not try some better scheme. Well, the men were very suspicious at first; indeed, it is impossible to describe to you how suspiciously we looked at each other.

[1] Trades Union's Commission, 1867. Tenth report, p. 74.

Some of the manufacturers also deprecated our proceedings, and said that we were degrading them, and humiliating them, and so on. However, we had some ideas of our own, and we went on with them; and we sketched out what we called a Board of Arbitration and Conciliation."

The result of this action was the formation of "The Board of Arbitration and Conciliation in the Glove and Hosiery Trade," the first permanent board established. The rules adopted were very simple,[1] and have worked so well in most particulars, that they have hardly been amended since the day they were made. The object of the board is declared to be to arbitrate on any question of wages that may be referred to it, and to endeavor, by conciliatory means, to put an end to any disputes that may arise. The board consists of twenty-two members, half operatives and half manufacturers, elected for one year, each class electing its own representatives. The delegates have full powers, and the decisions of the board are considered binding upon all. There is provision for a committee of inquiry, to whom all differences must be referred before the board will act upon them. This committee has no power to make an award, acting only as conciliators. A month's notice is to be given to the secretaries, before any change in the rate of wages will be considered. Regular meetings are held quarterly. The chairman, in the original constitution of the board, had a vote, and a casting vote as well, in case of a tie. This was one of the weak points in the organization, and, as the chairman was an employer, trouble resulted. Mr. Mundella, who was the first chairman of the board, speaking of this says: "I have a casting vote, and twice that casting vote has got us into trouble. And for the last four years it has been resolved that we would not vote at all. Even when a workingman was convinced, or a master convinced, he did not like acting against his own order, and in some instances we had secessions in consequence of that: so we said, 'Do not let us vote again, let us try if we can agree,' and we did agree."

In the Wolverhampton system this error was avoided. An independent umpire or referee was elected by the board, whose decision was final and binding in case of an equal vote by the board. The Nottingham board has also changed its rule, and the chairman no longer gives a casting vote, a referee appointed

[1] A copy of the rules will be found in Appendix A.

for the occasion being called in, in case of a failure to agree. I cannot but regard the Wolverhampton system of a referee elected previous to a "dead-lock," as much the better plan. This is the course adopted in the lace trade of Nottingham.

The proceedings under these rules are very simple. When any difference arises between employers and employed, the secretaries endeavor to arrange it. In the event of their failure, it is brought before the committee of inquiry, who try to settle it; and, it being unable, it is then brought before the board. One of the invariable conditions of any arbitration is that work shall be continued pending the trial of the case; that is, that there shall be neither strike or lock-out. The proceedings before the board are very informal. The members sit around a table, workingmen and employers interspersed. The discussion is without ceremony, and the difference is settled by endeavoring to arrive at the best arrangement possible under the circumstances.

The most serious questions brought before this board are those of wages, which, considering the nature of the trade, are very difficult of adjustment. On this point, and of the success that has attended its efforts to adjust wages, Mr. Mundella said in a speech at Bradford: "The articles manufactured in the hosiery trade are exceedingly numerous and varied in character. All work is paid for by the piece, at the rate of so much per dozen. From time immemorial these rates have been fixed by printed statements, and the battles formerly fought were as to whether masters or workmen should make these statements. Since the foundation of the board, all variations in prices, up or down, have been referred to it, and no statement is considered legitimate without the signatures of its members.

"It is very rarely that the price originally proposed by either masters or workmen is the price ultimately agreed to. Some alterations or concessions are generally made on both sides, and the price, once fixed, is considered mutually binding. In times of depression, when foreign competition has interfered with any branch, a fair reduction has been generally submitted to; and in times of prosperity, when advances could fairly be given, they have been invariably conceded; but, in order that the trade may not be taken by surprise, that manufacturers may finish their contracts in times of advance, and that no hasty decisions may be made against either party, we have a resolution on our

minute-book, that a month's notice shall be given before any change of prices can be discussed. Owing to the variable character of the trade, small differences and disputes are constantly arising. Some extra work may be required in an article for which the workman may think a shilling would be proper compensation, while the manufacturer may think sixpence is sufficient.

"If the workmen of any branch conceive that they have grievances to complain of, in addition to the ordinary representatives of that branch, a delegation may attend the board, and lay the case fully before it. The first business at our meetings is invariably to receive delegations. They retire after having made their statements, and the board proceeds to deliberate. We have never met without settling at least half a dozen questions, some important and some trivial, which, if allowed to remain open, would produce irritation."

The benefits this board has conferred on the hosiery and glove trades are incalculable. A most friendly feeling has taken the place of hostility, and confidence and mutual respect exists where formerly all was suspicion and hatred. This was not the result of a day, nor was it accomplished without occasional lapses to the old state of things. The strifes of a century and a half are not so soon forgotten; but troubles in the board have been so infrequent and unimportant, that I am justified in saying that it is a complete success. Strikes and lock-outs are unknown; contact has developed respect. The changed relations of employer and employed have been recognized: they have met about the same table as equals; and out of this has grown a condition of affairs that will make it impossible for the old conditions to return.

A large part of the credit of the success of this board, and of this change in the relations of the two classes, is due to the provision for regular meetings of the board. I do not hesitate to say that this is the most valuable feature of these boards. The great curse of industry, and the fruitful cause of difficulty, is a foolish obstinacy and a false pride. This arises in many cases from a want of knowledge and a lack of common courtesy in matters concerning both capital and labor, and in which both have an equal interest. This quarterly coming face to face, this meeting as equals, — and in all questions that can come before these boards they are equals, and it is foolish to ignore this fact,

—and this discussing subjects of common interest as sensible men, seeking for the facts, and inclined to moderation and concession, if need be, have had a marvellous effect in removing this pride and obstinacy, and bringing about that respect and courtesy that must be at the basis of all friendly negotiations between capital and labor. These meetings have also given the men a knowledge of the conditions of trade and its necessities, which they could not get in any other way, and, from this knowledge, they have been led to moderation in demands or willingness to concede reductions that otherwise they would not have possessed. If the arbitration features were wholly removed from these boards, and they only retained this feature of quarterly meetings of recognized representatives of trades unions and of manufacturers' associations, their adoption generally in this country would be productive of incalculable benefit.

SECTION IV.

THE WOLVERHAMPTON SYSTEM OF ARBITRATION AND CONCILIATION.

Some three years after the establishment of the Nottingham board, a system of arbitration, differing from it in some essential particulars, was adopted in the building trades at Wolverhampton. This plan was worked out without any knowledge on the part of its chief promoter of what had been done at Nottingham. It avoided some of the errors of that plan; but at the same time it lacked some of its admirable features.

The building trades are peculiarly liable to industrial contests. These contests have been not only over wages, but over certain customs of the trade, which have been regarded as rights on the one side, and submitted to on the other from necessity. Building is so much a matter of contract, and the portion of time in a year in which it can be carried on so circumscribed from various causes, that strikes in its trades are very frequent. At Wolverhampton, prior to 1864, these strikes were of common occurrence, and seriously interfered with the business of the town. One in 1863 lasted seventeen weeks, and left a feeling of discontent that promised trouble at the opening of the building season in 1864. To avert this, the mayor called a public meeting of the trades to devise, if possible, some means of pre-

venting the strike. A meeting was accordingly held, at which one branch of the building trade — the carpenters and joiners — appointed six delegates to confer with six delegates of the employers, and endeavor to arrange their differences; the latter appointing six delegates on their part. This was on the 14th of March, 1864. On the 21st of March, the twelve delegates met; and they then saw the propriety of choosing a chairman, who should have a casting vote, before they entered upon any other business. This was done by each party using a list of six names, and means were taken to determine by chance whether the "masters' or the men's" list should have priority of consideration. As the first name upon both lists happened to be the same, a chairman was easily chosen. The chairman thus chosen was Mr. Rupert Kettle, judge of the Worcestershire county courts, a gentleman most admirably fitted for the responsible position of arbitrator he has so often been called to fill; of clear insight, a judicial mind trained by his long experience on the bench, and a most happy faculty of graphic expression. His awards, to quote the language of Mr. Henry Crompton, were "remarkable for very vigorous analysis and skilful unravelling of complicated facts." For ten years Mr. Kettle devoted most of his time to arbitrating industrial disputes, until his judicial duties and private business compelled him reluctantly to decline longer to serve as arbitrator.

The scheme adopted by Mr. Kettle[1] was a simple but admirable application of the principles of common law. A code of rules is framed: these rules, signed by the arbitrators and umpire, are posted in all the workshops represented in the board, and a copy given each workman on his hiring, he being informed that it is the contract under which he is to work. If any question arises, it is referred to the board, or the conciliation committee under the amended rules, and it is by them decided. Any breach of the rules is a breach of contract, which can be punished the same as the breach of any other contract. It should be noted that this idea of a contract enters much more largely into the question of wages, and the relations of employer and employed, in England than with us.

These rules, as originally drawn, had no provision for conciliation. All disputes were to be referred to the full board, and the thirteen members brought together to settle the most trivial

[1] A copy of the rules will be found in Appendix B.

matters. This was soon found too troublesome, and the conciliation rule (Rule No. 2) was adopted. Mr. Kettle says this has been "found in practice more useful than the arbitration rule."

There are two radical differences between this plan and the Nottingham system. The latter provides no method of enforcing the awards of the board, while, under the Wolverhampton system, provision is made for their enforcement the same as any other contract. As to which system is the best, is a question much discussed in England. It is evident that no board can force a manufacturer to run his mill at a loss; nor can he be accused of dishonesty or disloyalty if, when an award goes against him, he closes his mill or mine, if it can only be operated at a loss under the terms of the award. On the other hand, there can be no power to compel a workman to continue work unless he choose. So in these senses it is evident that no provision can be made for enforcing awards, and whether they shall be carried out must be a question left entirely to the will of the parties to the arbitration. Of course, when conciliation is used, there is no question; it must be in all respects voluntary.

There are circumstances, however, in which the awards can and should be enforced at law; and, under a scheme that contemplates a code of working rules like those adopted at Wolverhampton, it is perfectly feasible to do so. These rules and the penalties attached do not contemplate that a workman may not be at liberty to terminate his contract with his employer, or *vice versa*. It will be seen that this can be done on very short notice; but, while the relations of employer and employed continue, they are on certain terms, and, when it is desired to end them, there is a business-like way of doing it. That most outrageous custom of ceasing work in a pet, at a moment's notice, causing the loss at times of thousands of dollars' worth of half-prepared material, as, for example, in the glass trade, when the pots are full of melted glass, cannot occur under these rules, or, if it does, there is a remedy at law for breach of contract and damages for loss. Indeed, the business-like methods of some of these rules must commend them to the good common sense and judgment of business men. Mr. Kettle has done an immense service in insisting on the business character of these boards. As the system becomes more perfect, the aim will be to reach in a business-like way what is fair and just under the circumstances, and then to do it.

A second difference in the two systems is the provision for the election of a permanent arbitrator or umpire. This is a feature which I regard as of the greatest value. Mr. Crompton in his work, though strongly favoring conciliation, confesses that "every board of conciliation must have an ultimate appeal of some kind."[1] Mr. Mundella found that his method of giving the chairman a casting vote caused trouble. The best plan seems to be the appointment of a standing umpire or referee. Whether he should attend the regular meetings of the board, is an open question. It seems, that, should he attend, much time and expense would be saved, and one of the objections to arbitration met.

Another of the rules embodied in this system is deserving of more than passing notice; it is the third: "Neither masters nor men shall interfere with any man on account of his being a society or a non-society man." The society men pledge themselves not to annoy, nor allow annoyance to, non-society men. The system of arbitration accepts the fact of combination among both employers and employed, and uses it as an agent to accomplish the ends it aims at, — the establishment of peace and goodwill.

To show the practical workings of this board, it will be interesting to append Mr. Kettle's account of the first arbitration before it.

In November of the first year of its existence, a difference arose between one of the master builders and some of his carpenters, as to the right construction of one of the rules, — that which provided for extra payment for working in winter months upon unprotected buildings.

Upon receiving a request in writing from each party to settle this difference under the rules, the umpire ascertained what day would be convenient to both sides, and then called a meeting of the delegates — who had, by the operation of the individual contracts of service, become in law the arbitrators in this dispute. He also, through the secretaries of the two societies, caused the master and the workmen between whom the dispute existed to attend the arbitration, treating them as the parties to an ordinary reference. At the time appointed, the arbitrators, the umpire, two men who represented the workmen, who were parties to the dispute, and the master from the works where the

[1] Industrial Conciliation, p. 24.

dispute had arisen, met. As the men were the complainants, they were asked (as plaintiffs) to state their case. The master answered (as defendant), giving his reading and view of the rule alleged to have been broken. The workmen's arbitrators were then asked — taking them in succession as they sat at the table — to express their opinions. The opinions of the master's arbitrators was then taken in the same way. It was a case of conflicting arguments upon construction. The umpire decided that the men had put the true construction upon the rule; and he offered to make an award which could be legally enforced; but the master said he would willingly abide by the result, and at once pay the men accordingly. In this the men, on behalf of themselves and their fellow shopmates, cheerfully acquiesced, and so we are deprived of a precedent from this case of the procedure for enforcing such an award.

The boards of arbitration existing in England embody the best characteristics of both of these systems. While they differ in detail, their main features are the same. They are all voluntary. They are composed of an equal number of employers and employed, each class electing its own representatives. There is in all of the boards a provision for conciliation without convening the entire membership. Regular meetings of the board are provided for, whether there is any business to be transacted or not. And in some form or other there is a power to which either party can appeal without pride or shame, that has power to determine as well as to hear, and whose decisions are received without exultation or humiliation. That is an umpire. The practical workings of some of the boards will be given in succeding chapters.

SECTION V.

ARBITRATION AND CONCILIATION IN THE MANUFACTURED IRON TRADE.

It is important to the purposes of this report to show the practical workings of arbitration and conciliation in some industries in which our State has a special interest. In two industries Pennsylvania stands pre-eminent among the States, viz., those connected with the manufacture of iron and the mining of coal. It is also in these that labor troubles are most frequent, and the contests the most severe. If arbitration has been successful in

averting or mitigating industrial strife in these trades in England, this fact should be a consideration of no small weight in favor of its trial here. In view of the circumstances, in none of the trades of England has arbitration and conciliation had a greater success than in these. This is especially true of the manufactural iron trades of England. The wages of all classes of labor in the English rolling mills are settled, and have been for nearly ten years, by arbitration. An award has just been given in South Staffordshire, reducing the price of puddling, and other wages; and the North of England arbitration board has decided on a corresponding decline.

Some account of the establishment and practical workings of the Board of Arbitration and Conciliation in the North of England iron trade cannot fail to be interesting, as no severer test of the value of arbitration and conciliation can be found than in the circumstances accompanying its workings in this trade. This trade, including that of the Cleveland district, began to assume importance as recently as in 1860. For ten years its growth was marvellous, and at the end of this time it rivalled many and surpassed most of the older centres of English iron manufacture. This wonderful growth, at a time when other districts were increasing, created a demand for labor that could not be met from the ranks of those already skilled in the various processes of iron manufacture, and workmen were drawn from all classes and grades of laborers. The result was a most heterogeneous collection of workmen. There were no ties of friendship or locality. There were none of those attachments that long companionship causes men to form among themselves and for their employers, and even for the very tools with which they work. "Earning higher wages than those to which they had been accustomed, unable to appreciate the difficulties incidental to a trade so liable as the iron trade to great and sudden vicissitudes."[1] The result of this state of affairs can be easily imagined. It was endless disputes; strikes were of frequent occurrence. In 1865–66, there was both a lock-out and a strike, the latter lasting four months; and in the end nothing was settled, except that capital could hold out longer than labor. "Between that time and the winter of 1868–69, repeated reductions in wages became necessary, and gave rise to feelings of

[1] From a paper read by Mr. B. Samuelson, M.P., before the British Iron Trade Association, Feb. 24, 1876, p. 4.

resentment, which rendered it more than probable that any considerable increase in the demand for iron would be the signal for peremptory demands on the part of the workman."[1] Trade began to improve in 1869, and the demand came. To avert the trouble, arbitration was suggested; and on March 22, 1869, the board was formed, and has continued in successful operation until the present time, and, for these ten years, has settled the wages and other industrial questions in this trade.

[2] This board consists of two representatives from each works joining it, one chosen by the owners of each works joining the board, the other by the operatives. It chooses from among its members, a standing committee, to whom all differences are in the first instance referred, and whose recommendations in minor matters are generally accepted. This committee, however, has no power to make an award except by mutual agreement of the parties to the dispute. All questions not settled by it are brought before the board as soon as possible. In cases of re-adjustment of wages over the whole district, on one occasion two arbitrators had been chosen, who intervened between the board and the independent umpire. The committee meets when there is any business; the board, twice a year, or oftener if necessary. The expenses are paid equally by employers and employed. At the close of 1875, it represented thirty-five works, and 13,000 subscribed operatives. These works had 1,913 puddling-furnaces, — more than all Pennsylvania, and half as many as the entire United States. During the year 1875, the standing committee investigated forty disputes. Since its organization there have been eight or nine arbitrations on the general questions of wages, and scores of references in regard to special adjustment of wages at particular works.

Since 1874 this board, and the adherence of the workmen to its decisions, have been put to a severe test; and, to their credit, it should be said that, with a few unimportant local exceptions, they have been loyal to the rules of the board. It is a well-known fact that strikes and lock-outs generally occur on a declining wages market; and the real test of the value of any method of settling wages is not on an advancing market, but a falling one. The first action of this board was, under the umpireship of Mr. Rupert Kettle, to decree an advance of 6*d.*

[1] Mr. Samuelson's paper, pp. 5, 6.

[2] A copy of the rules will be found in Appendix C.

From its formation in 1869 to 1874, wages were advanced from 8*s.* per ton, for puddling, to 13*s.* 3*d.* In 1874 the turn came; 9*d.* were first taken off. In the middle of the year 3*d.* added, and from that time there has been a constant decline in wages until now puddling is only 7*s.* per ton of 2,400 pounds. That is wages have been reduced, under the action of this board, without any serious difficulty, 47½ per cent.

Does any one believe that this could have been peacefully accomplished without arbitration?

The success of arbitration in the South Staffordshire iron trade has not been as marked, nor have its operations been as continuous, as in the North of England. The board was originally formed by the two iron associations in the district, representing employers and employed; viz., the South Staffordshire Ironmasters' Association and the Local Branch of the Iron Workers' Union. The board represented only these associations, no attempt being made to give a representation, or to allow a vote in selecting representatives, to those who were outsiders and non-unionists. This course — unlike that of the North of England, where the operative members are elected by the vote of all the employés of the works, unionists and non-unionists — was the cause of the failure of the first board. "It was quite powerless to bind those men who were not in the Iron Workers' Union, even though the master himself was bound."

Out of this failure has grown an organization known as The South Staffordshire Iron Trade Conciliation Board, now[1] some three years old. Profiting by the former experience, it has avoided some of the errors of the old board, while retaining its valuable features. Its rules and constitution are not the same as in the North of England. The board consists simply of twelve employers and twelve operatives, but every works joining the board shall, if possible, have a representative of the employers and a representative of the operatives. The board elects a president, not connected with the iron trade, whose duty it is to attend at meetings when questions are brought before the board to be settled, but to take no part in the discussion, beyond asking explanations sufficient to guide his judgment.

Besides the president, there is a chairman and vice-chairman, who are elected by the board from themselves, but whose func-

[1] In December, 1878.

tions are not clearly defined by the rules. Instead of a committee of inquiry, the rules, which are not very precise, say, that "In case of any difference arising at any works, it is intended that it shall be settled by the works representatives, but, in case of their failing, it is open to them to refer it to the chairman, vice-chairman, and the two secretaries, who may call the board together if they see fit."

The president of the board is Mr. Joseph Chamberlain, M.P. for Birmingham, who has been quite successful as an arbitrator, and still retains the confidence of the operatives, though he has for several years been forced, by the state of the trade, to award reductions in wages. As the result of the discussion, at a meeting of the board, held Oct. 7, 1878, wages were reduced to the point mentioned above. At this meeting, Mr. Capper, one of the workingmen's representatives, stated that the reductions conceded since January, 1874, amounted to 52½ per cent. Mr. Chamberlain stated, however, that he had seen no reason to believe that any of his past decisions were wrong, or, in fact, that they were not such as were absolutely necessary, having regard to the state of trade. In the course of his remarks, he asked what was the intention and object of a board of arbitration? Surely it was to arrive at a fair decision, without the painful necessity of a strike. If this was so, he had to ask himself what would be the result of a strike, if there were no board. Suppose, for a moment, there were no board of conciliation to settle the matter, and that the employers thought themselves entitled to ask for a reduction to 7*s*. of the puddlers' wages. Did anybody doubt that, grievous as such a reduction might be to the workpeople, they would under the existing state of trade be obliged, in the long-run, to submit to it? He was there rather as a conciliator than as a judge, and the feeling he had, that, if there were no board, the operatives at the present time must yield to the demands made by the employers did certainly weigh with him very much in considering the present application of the employers.

At a meeting of the board, held since this report has been in press, the members on both sides expressed their continued confidence in the board, and their implicit faith in Mr. Chamberlain.

As the two districts mentioned are among the largest and most important of the iron-producing districts of Great Britain,

I think I may confidently point to the success of arbitration in their iron mills, as giving strong grounds for predicting the success of arbitration in our iron works, were it tried. The fact that good feeling has been fostered, and severe reductions of wages accepted without strikes, is abundant evidence of its value.

SECTION VI.

ARBITRATION AND CONCILIATION IN THE COAL TRADE.

The working of arbitration and conciliation in the coal trade is somewhat different from its history in the iron trade. The nature of the work in collieries does not admit of so many different trades as in iron working, and, as a result, there are fewer unions. They are larger, more united, and in a better position to enforce any demand they may make. Though this is true, and though, further, there is not, with possibly an exception, a permanent board in this trade, there are many cases, during the last few years especially, in which differences have been adjusted by temporary boards or an arbitrator. The awards have not always been loyally accepted. It is too much to expect that they would be. The fluctuations in this trade in the last five years have been both rapid and large, and the strain on any system that could be devised would have been too great not to have caused it to give way at times. Notwithstanding this, after a careful and thorough study of all the facts I do not hesitate to say that arbitration and conciliation in the coal trade has been a success. The wonder is, it has not failed oftener. There have been cases where both employers and employed have refused to submit their demands to arbitration, and there have been cases where the award, when made, has been rejected; but the exceptions are so few, that it can be fairly said that for some years, until very lately, arbitration has settled the wages question in the coal trade, and both sides have abided its results.

To illustrate its workings in detail in this trade, I have selected the Northumberland, Durham, and South Wales districts.

In the Northumberland coal trade, wages and other industrial disputes have been settled for some years by conference or conciliation between the mine owners and workmen, each side having its unions or associations. Since March, 1873, up to the close of 1877, a joint committee consisting of six employers and

six workmen have settled all questions "of mere local importance affecting individual pits." This committee had no power to deal with the question of wages. When this was to be discussed, a board was created for the occasion, consisting generally of two arbitrators for each side, presided over by an umpire. Mr. Rupert Kettle, who acted in this capacity at an arbitration in 1875, defined the constitution of the court very clearly: "We are one body of five, and if by and by it shall be found that you are two and two, and therefore cannot arrive at a conclusion, the decision will be with me; but until that time arrives you are the judges, and I am only assisting you."

The last arbitration in this trade in Northumberland was in July, 1877. In May of this year, the employers gave notice of a reduction, and a withdrawal of the allowance of free house and free coal. The men refused to permit the reduction, and also an offer to arbitrate; and twelve thousand of the fourteen thousand miners in the district went out on a strike. So bitter were the men against arbitration, that their trusted leaders who suggested it were hissed and hooted. After several weeks' idleness they, however, agreed to arbitrate.

Two arbitrators were appointed on each side, with Mr. Farrer Herschell, M. P., as umpire. This arbitration was an important one, as introducing new considerations as reasons for reductions. The employers did not rely upon the claim that there had been such a reduction in the selling price of coal as to justify a reduction in wages, but claimed it on the ground that other districts had advantages over them in the greater number of hours worked per day, and days per week, which, added to a higher wage they were compelled to pay, placed them at a decided disadvantage in the market. The award was in favor of the men; but it recommended that the men, in order to aid the pit-owners to compete with other districts, should work six hours instead of five, at the face, twelve days per fortnight; to increase the out-put of large coal, and the throwing-back of small coal. These recommendations practically discredited the umpire's own decision; but they were faithfully adhered to by the employers, while the recommendations were carried out with little grace by the employés. A quarter of an hour was added to the working time, and the other recommendations were ignored.

This arbitration was a most important one in its results. On

the 24th of November of the same year, notice of a reduction of twelve and a half per cent was posted; and the miners, refusing to accept, went on strike on Dec. 7. The employers refused to withdraw the notice, and also, in view of the circumstances attending the last trial, refused to submit their case to arbitration. The men yielded so far as to agree to accept ten per cent, and arbitrate the remaining two and a half per cent; but this was refused, and, after eight weeks' strike, the men went to work at the full reduction. I have given this case in detail, as it is often referred to as showing the failure of arbitration. It certainly did not fail, for it was not tried; and no one who has had an opportunity to know the present feeling of the men doubts that there is trouble ahead. The employers, maybe, have been justified in the course they took. As to its wisdom, there is an opportunity for discussion.

In the Durham coal trade, a much larger one than the Northumbrian, arbitration is in full operation, though it has been subject to a most severe strain in the large reductions of wages that have been decreed. This district has been described as one in which "reason and calm discussion have pre-eminently taken the place of force." The miners in this region number some fifty thousand. Beginning with March, 1872, up to May, 1873, wages had been advanced fifty-eight and one-half per cent. In May, 1873, the decline began, wages being reduced ten per cent. In October, 1874, Mr. Russell Gurney, Recorder of London, after a very exhaustive investigation, awarded a reduction of nine per cent. This was accepted, though not with very good grace. Mr. Kettle says he always expects a little sulking when the award is unpleasant. So great was the depression, that in February, 1875, only three months after the announcement of Mr. Gurney's award, another reduction was claimed, and five per cent awarded. At the close of the same year, Mr. Hopewood, M. P., was appointed arbitrator, and awarded, in February, ten per cent reduction. In May, 1876, a notice of a reduction of ten per cent was given and arbitrated. In August, six per cent, and in February, 1877, ten per cent more. In March, 1877, a sliding scale was adopted for two years. Under this it was provided that any differences that might arise were to be settled by reference. All these reductions have been accepted, — not always pleasantly, but nevertheless accepted; and under the sliding scale the men are now working, referring questions as they arise to be settled by conciliation.

In South Wales, a strike occurred in 1875, lasting seventeen weeks, and involving 120,000 workmen, whose loss in wages was variously estimated at from £3,000,000 to £5,000,000. This was settled by conciliation. Immediately after this, as the result of an extended consultation, a sliding scale, based upon the selling price of coal, with a fixed minimum and maximum, was adopted; all other differences arising to be settled by arbitration. In 1876, several reductions resulted, which caused considerable dissatisfaction, and a vote of the members of the union was taken to get its views on continuing the scale, and abiding by its action. Eighteen thousand four hundred and seventy-five voted for it, and 8,934 voted against it, though wages had been in some cases reduced thirty per cent. Late in 1877, the price of coal had fallen so low that the "Coal Masters' Association" asked the men to consent to lower the minimum of the scale five per cent, which they did, confirming their action in February, 1878, and again in June.

There have been other arbitrations than these in the coal trade all over Great Britain. In South Yorkshire and North Derbyshire, Mr. Mundella has arbitrated a number of disputes the present year.[1] At Barnsly an eight months' strike was settled by Mr. Whitwell and Mr. Mundella. There have been successful arbitrations in the coal trade at Ashton, Oldham, North Staffordshire, Cleveland, North of England, and Lancashire. In South Staffordshire, a sliding scale was adopted in 1874, but its working was not satisfactory, owing to the decline in coal being much greater than was expected. At Radstock there have been two awards, one by Mr. Kettle, and the other by Mr. Thomas Hughes, M. P. In North Wales there have been several arbitrations. In all these cases there has seemed to be an earnest desire on the part of the leaders of the unions to hold the men to the award, telling them that they were bound in honor, and threatening to withdraw from their positions if the men were false to their word. The Welsh colliers are rough, uneducated men, however, and have forgotten honor and interest, and rejected awards that have been made, and at present, arbitration is not practised in this district.

[1] 1878.

SECTION VII.

ARBITRATION IN OTHER INDUSTRIES.

I have spoken at length of the workings of arbitration in the coal and iron trades, for the reason assigned, — that they are the industries in which our State has so large an interest. It must not be inferred that it has been only in these that its success has been obtained, and its adaptation for the purpose designed established. Of its workings in the hosiery trades of Nottingham and the building trades of Wolverhampton, I have also given an account in previous sections. Of its workings in other industries, I can give, for lack of space, only the most meagre account, and that simply for the purpose of showing to what a diversity of cases arbitration is applicable. The lace trade of Nottingham has a board which was started very soon after Mr. Mundella's in the hosiery trade. As the rules of this board are regarded by this gentleman as the model rules, they are given in full in the Appendix.[1] This board was a complete success for over fifteen years. Latterly there has been some dissatisfaction regarding awards, and a desire to repudiate them: but there has been no more difficulty than was to have been expected, or than there will continue to be, so long as human nature remains human. In the textile trades there have been but few attempts at systematic arbitration. The Macclesfield silk trade had a board suggested by the *Conseils des Prud'hommes*, as early as 1849. The failure of this board is to be attributed to the fact that, though organized to put an end to strikes and lock-outs, it used them as a means to compel obedience to its awards. In other branches of these trades, notably the cotton trades of East Lancashire, a spasmodic kind of conciliation has been practised in the past; but during the recent very disastrous lock-out, though arbitration was proffered by the employés, it was refused by the manufacturers, on the ground that there was nothing to arbitrate, as unless they could get the reduction asked for they must cease work.

In the building trades, a number of boards have been established; and, though they are in many respects very complicated trades, their history has been such as to indicate their great usefulness in these trades.

[1] See Appendix D.

Among other industries in which arbitration has been successfully tried, may be mentioned the potteries, iron and stone mining, iron tubing, quarrying, chemical, and boot and shoe. The best examples of the workings and success of boards are, however, to be found in those industries treated of at length in preceding sections.

[We add to this section of Mr. Weeks's report the following data obtained from the *résumé* of Mr. Hill previously referred to, Bureau Report, March, 1877.]

According to the record of Mr. Crompton, the English working-classes have given the most favorable reception to the proposal for courts and boards of arbitration or conciliation. As far back as 1866, Mr. George Odger introduced the subject of arbitration at a large meeting in Sheffield, and then expressed his opinion that strikes were to the social world what wars were to the political world : they became crimes unless they were prompted by absolute necessity. Where industries are not localized, but, on the contrary, scattered over the country, arbitration arrangements necessarily become more difficult. In the more highly organized of these trades, the question of wages is not so often raised by arbitration, and in some, very slight alterations have taken place in a long series of years. The engineers have, as in the case of the nine hours' strike at Newcastle in 1871, so ably recorded by Mr. John Burnett, the secretary of the Amalgamated Engineers, been willing to submit questions in dispute to arbitration; but the great variety of operatives employed in this industry makes the system more difficult to adjust satisfactorily. Mr. John Burnett has, however, expressed his opinion that "a scheme of arbitration might be arranged so as to apply to the various peculiarities of the engineering trade."

The brass-workers have made an experiment in arbitration, but it does not seem to have been successful.

At Sheffield the employers did not seem disposed to meet the overtures of the men, who, through the carpenters, desired to form a board.

The bricklayers cannot be reported as having distinctly pledged themselves to the system of arbitration; but Mr. Coulson, the secretary of the Operative Bricklayers' Society, has endeavored to establish boards as opportunities have arisen.

The masons have not as a class shown so strong a desire for arbitration as the other classes of building operatives; and, in the language of Mr. Crompton, "they have a conservative tenacity which tends to prevent them from changing some practices which cannot stand the test of criticism." At Bristol, however, a code of rules has been drawn up between the Masters Association and that of the Operative Stone Masons. One rule provides that "six employers and six operatives act as a standing committee to hear and determine any minor disputes that may arise from time to time as to the intention and working of the rules, and their decision shall be equally binding on both parties, and no suspensions of labor shall take place pending the decision of the conciliation committee."

Among painters, though there is no permanent board in the trade, a code

of working rules was established at Manchester in 1870, agreed upon by six operatives and six employers. According to this code, there must be six months' notice of any change, which is settled by conciliation if possible; if not, by reference to some arbitrator. At Birmingham, Coventry, Leicester, and Nottingham, arbitration has also taken place in this branch of trade.

In the potteries a board of conciliation and arbitration has been in existence since 1868 for the china and earthen ware manufactories. The board is established on the model of the Nottingham boards. "The president presides over such meetings of the board as are not convened for the purpose of arbitration; but a standing referee presides over all arbitrations by the board, and his decision is final in the event of an equal vote." Mr. Crompton points out that the advantage of this seems to be, that the referee is not called, or arbitration attempted, until the board has failed to settle by conciliation; in which case there is to be one final arbitration arrived at, if possible, without difference. The award is made subject to a month's notice on either side. The settlement of the prices of labor is, however, for a year.

In the chemical trade of Northumberland and Durham, a board of arbitration and conciliation was established in 1875; but it is of too recent formation for any results to be reported. This board has a by-law specially directed against strikes and lock-outs.

In the boot and shoe trade, no board of a formal character has yet been established; but a resolution has been passed at Stafford in support of one in the future. At Leicester, also, steps have been taken recently to form a similar board.

In the woollen and worsted trades of Yorkshire, there have been no boards of arbitration or conciliation, nor has arbitration been resorted to as a means of settling disputes.

In the East Lancashire cotton trade, there is no system of arbitration or conciliation; but committees composed of employers and employed are appointed from time to time for the purpose of settling disputes, and they argue the question till one side gives in. Mr. Birtwhistle, the secretary of the East Lancashire Amalgamated Weavers' Association, is of opinion they ultimately will have to resort to arbitration.

In the printing trade, a court of arbitration was established in 1853; but the court broke up because the men, while accepting the award as a decision in an actual dispute, refused to accept it as a decision binding in all other cases arising out of past contracts, and involving similar questions.

In the Typographical Trades Union, arbitration has been suggested, but not yet adopted.

At Manchester, a question in dispute has been settled, however, in conference between the masters and men in the printing trade.

Among unskilled laborers, with the exception of the laborers who are represented on the Birmingham board in the building trade, no settled form of arbitration has as yet been arranged; and, until this large class is more thoroughly organized within its own lines by union, such arbitration will be difficult, if not indeed impossible.

Among agricultural laborers, into whose ranks the spirit of organization is fast infusing itself, no arbitration has yet taken place; but Mr. Howard Evans, editor of "The English Laborer," Mr. Crompton, and others have written in favor of the adoption of the system in future disputes.

SECTION VIII.

THE ACCEPTANCE OF AWARDS BY THE PARTIES TO THE ARBITRATION.

A very important question to be answered in arriving at a true estimate of the value of arbitration and conciliation is, How have the awards of the boards been received? Have they been frankly accepted, and loyally obeyed? or have they been rejected, or, if accepted, received sullenly, and obeyed grudgingly, and with a determination to renew the struggle in the near future?

So far as relates to conciliation, these questions are easily answered. From its very nature, its awards or decisions can meet with but little opposition. When differences are settled, through the good offices of committees of inquiry, or the conciliation committees of these boards, it is without an award, and a decision is reached because the parties themselves agree to such decision; and, of course, in such cases there is little or no opportunity for the rejection of the result. The same is true, though not so generally, where conciliation boards exist without a final appeal to an umpire or referee. In these cases the subject in controversy is settled by what the men call "a long jaw," and an agreement is reached by a compromise, or by coming to the best arrangement possible under the circumstances. This is a contest, to be sure; but it is of a far different character than a strike or lock-out. It also offers an opportunity for rejecting a decision; and under the working of the Nottingham board, which is on this principle, there have been cases of such rejection. Mr. Mundella mentions one example of a small branch of the hosiery trade, employing some two hundred men, who made a demand which the whole board deemed unreasonable: the representatives of this branch were out-voted, and, in a fit of ill-humor, seceded from the board. They found themselves, however, isolated, and deprived of all sympathy and support, both of their fellow-workmen and the public; and they soon expressed a desire to be restored to membership.

Where there have been formal arbitrations and awards, especially in the coal and iron trades, I am constrained to confess that there are more cases of rejection or attempted rejection of awards than there should be. There should be no case of a

refusal to accept an award made by a duly appointed umpire or a board. It is worse than useless to submit a case to arbitration, unless both parties agree to be bound by the result, and are prepared to act upon it in good faith. The parties to the arbitration are in honor bound to this course, however unsatisfactory the result may be, or however unwelcome the award.

It is unfortunate, also, that most of the repudiations of the awards have come from the workmen, and these have at times been coupled with most gratuitous insults to the gentlemen who have acted as arbitrators. A recent case of this kind is the action of the nut and bolt trades of Birmingham, in which Mr. Chamberlain acted as arbitrator. The award was not rejected, but Mr. Chamberlain was so grossly insulted, that he refused in an indignant letter to serve in a subsequent case in the same trade. Mr. Chamberlain said, "I have always been of the opinion that arbitration, as a means of settling such disputes, could only be successful where there existed on both sides a belief in the principle, and implicit confidence in the discretion, impartiality, and fairness, of the arbitrator. In the present case, these conditions appear to be wanting; for you will recollect that when recently, at very considerable sacrifice of time and trouble, I settled a dispute which had arisen in your trade, my decision was made the subject of abusive complaint, and my honor was called in question, and improper motives were attributed to me."

Another example was the rejection of the award of Mr. Sergeant Wheeler, by the North Wales colliers, who stated in their resolutions that the reduction was a "gross imposition," and gave notice of an immediate demand for twenty per cent advance. A three months' strike grew out of this.

In addition to these cases and others that might be given, there are some in which there have been cases of disloyalty to the board at particular works. This has been true, even in the North of England. It is interesting, however, to find that the employers, in a recent document, submitting their case for a reduction of wages, most readily record their opinion, that with a few local exceptions, which do not affect the general principle, the operatives, as a body, have been loyal to the rules of the board, — one of these rules being, that, in the event of a dispute, the operative shall not abandon his work, but continue his employment, pending its adjustment. And this is confirmed by Mr. Kettle. He writes as follows: "Except in one or two

instances of a few days' sulks at particular works, my award being against the workmen, I think all have been approved, and all, without exception, have been practically acted upon; and for six years the peace of the trade, generally, has not been interrupted."

It is also interesting to note that Mr. Chamberlain, at a recent meeting of the South Staffordshire Conciliation Board, stated, that, during the three years that board had been in existence, three successive reductions had been made in the wages of the operative, but in all these cases his award had been strictly observed, both by employers and employed.

The cases that have occurred when awards have been rejected have, without doubt, brought arbitration somewhat into disrepute. But there are some things forgotten by those who, for these few cases, condemn the principle. It should be remembered that the rejection of an award will be more widely known and commented upon than the acceptance of a score; and it must further be remembered that the test to which this principle has been subjected in the last five years has been a most severe one. Wages in the coal and iron trades have reached, in some cases, a lower point than they have ever touched before. A reduction of ten per cent, or even five per cent, has come to mean want and misery; and human nature is often too strong for honor. The wonder is, that the awards have not been oftener rejected. Coming, as I did, from a district in which the iron workers are better paid than in any other district in the world, and seeing the self-restraint of the iron workers of England, in the face of constant reductions of wages, and the too evident fact that others were to come, I could but admire the honorable action of the men, and conceived the highest respect for the principle which enabled these great changes to be made without strikes and lock-outs.

SECTION IX.

ADVANTAGES OF ARBITRATION.

There are two, or possibly three, objects sought in the formation of boards of arbitration and conciliation. The first is to prevent differences between employed and employers from becoming disputes, and leading to strikes and lock-outs; and the second

is to settle disputes that have unfortunately arisen, and to put an end to strikes and lock-outs, should they occur. The third object, which is possibly included under the first mentioned, is to promote mutual confidence and respect between these two classes. The only sufficient reason for the adoption of the principle is that it accomplishes these purposes.

Whether it has accomplished these objects in the trades in which it has been fairly tried in England, can be judged from the facts set forth in the preceding pages of this report. For myself, I do not hesitate to say that it is not only the best method yet devised, but the only rational one, for adjusting the relative rights of employers and employed under the present constitution of industrial society. In making this statement, I do not forget the method by strikes and lock-outs, nor do I consider it. These methods are neither rational nor civilized. A victory or a defeat for either side, under the pressure of strikes or lock-outs, neither proves nor disproves the justice of a position assumed; but it is fair to infer that an award given by a board of arbitration, after due consideration, would be as near just and right as it is possible for human judgment to reach. It is to be observed, also, that a decision of a board should not be, and in most cases is not, regarded as a victory by one side, or a defeat by the other. There is no exultation over victory, no smart over defeat, nor a determination to wait for a convenient season and revenge. The burning questions that arise are settled in a friendly manner.

Another advantage of a permanent board of arbitration, with stated meetings, is that it furnishes an opportunity, seldom possessed without these, for the workmen to obtain a knowledge of the needs of trade and the demands of the future both upon them and the manufacturers. Labor troubles are as often the result of a lack of information as to the true state of a trade, as of any other one thing. It is true that workmen may be told the facts rendering a reduction necessary; but they are not inclined to credit them, and believe that affairs are not as represented. In the working of the English boards, especially in fixing prices, notice is taken of the state of trade and competition with other countries and other districts, and the information thus gathered, not by the employer members, but by the board, is brought to bear in the settlement of wages. In his testimony before the Trades Unions' Commission of Parliament, Mr. Mun-

della says, "We sent two of the workmen to France last year, and a third to Germany, to see for themselves the prices paid there for that work. They came home, and said, 'It will not do: we must be content as we are for the present;' and we produce on the table the articles made in France and Germany, and the men are convinced by their own senses of the justice of what we say, and by their knowledge of the laws that govern trade, because this system has been a complete educational process for our men: they know as well as we do whether we can afford an advance, or not; they know whether the demand is good, or bad, and at what prices the article can be made in France or Germany; and they are accustomed to consider the effect of a fall or rise in cotton just as we do; and, when they think that things are going well, they ask to share in the benefit; and, when they think that things are going wrong, they are willing to take low rates."

Facts gathered in this way, and supplemented by statements of those in whom the workmen have learned to have a degree of confidence, have a greater influence than unnumbered assertions of men who are brought together only to struggle for a victory.

This suggests another and a most important advantage of these boards. Accepting the fact that unions of workmen exist, and will doubtless continue to exist, it is only through boards of arbitration or conciliation of some kind that the trades unions and those of employers can meet except as antagonists. The manufacturer and his workmen can never be brought face to face to discuss trade questions, except when their interests are hostile. With these boards there is a possibility of meeting as fellow members of the same trade, whose interests are indissolubly joined.

Another and perhaps the most important advantage of these boards is the bringing of employer and employed together, and thereby increasing their respect and esteem for each other, and the consequent growth of confidence. One of the greatest barriers to an understanding between capital and labor is a feeling on the part of workingmen that they are regarded as holding a servient position, and a feeling on the part of manufacturers that theirs is a dominant one. Out of these feelings, which are altogether too common, come a brood of evils that have cost our industries dear. Even when nothing is further from the mind than the thought of cherishing such sentiments as these, suspi-

cion, ever quick to grasp an appearance for a reality, catches at some chance word; and all the horrors of a labor war are the result. Judge Kettle, in speaking of strikes from matters of sentiment, says, —

"If in the common intercourse of life this is felt, how much more in the excitement of a trade dispute must men be sensitive to influences which clash with their just estimate of their own position; and still more keenly must they be felt, when those influences are directed to controvert the means taken to maintain what they believe to be their right."

For this want of confidence and suspicion, these permanent boards of arbitration furnish a remedy. Confidence is cherished. The intercourse of representative workmen with representative employers, as equals with equals, breaks down all class distinctions, removes suspicion, and makes the task of harmonizing differences a much simpler proceeding.

But the chief advantage of these boards is that they form an open market, where labor and capital can come together, and in a friendly spirit fix what is "a fair price for a fair day's work." In these boards, the statements made by each side can be challenged, each other's arguments answered, and estimates impeached. "I verily believe that, without limiting the influence of fair competition, boards of arbitration, properly worked, afford the best means of fixing the market price for a fair day's work. I believe, moreover, that their action has a tendency to secure the maximum prices which are consistent with steady employment, and that the presence of an umpire prevents the ruinous consequences to both parties which follow separation upon a disagreement."

SECTION X.

DIFFICULTIES OF ARBITRATION, AND OBJECTIONS TO THE SAME.

In the course of this report, I have incidentally referred to the difficulties that stand in the way of the successful workings of arbitration, and some of the objections to the same. It may not be amiss to group together some of these, and to consider others, selecting those that may be regarded as typical rather than taking up each objection in detail.

The chief obstacle encountered in the formation of boards of

arbitration and conciliation, as well as in the earlier operations of the same, is suspicion and prejudice. These are the sources of some of the most bitter and ill-advised strikes and lock-outs that the history of industry has known; and it is this tendency to quarrel upon what Judge Kettle so aptly terms "matters of sentiment," that stands most in the way of arbitration. Happily, these feelings are passing away; a more intimate knowledge and a more generous estimate of the acts of each other are removing this suspicion and prejudice. Once boards are established, their very existence, as we have shown, tends to the removal of all sources of strife founded upon passion or ignorance.

Another difficulty that arises immediately upon the decision to form a board is the selection of an umpire. Shall he be a permanent officer, or chosen to decide a particular case? Shall he be practically acquainted with the trade in which he is called to act? or is this not necessary, so that he have the other qualifications? These are questions that it seems almost impossible to answer from the results of experience. Judge Kettle, who has been a most successful umpire in some of the most important arbitrations in England, and especially in the coal and iron trades, has no practical knowledge of these trades. Mr. Thomas Hughes, M. P. ("Tom Brown"), Mr. Herschell, M. P., Mr. Thomas Brassey, M.P., Mr. Russell Gurney, Mr. Henry Crompton, and others, are all gentlemen who are not practically connected with manufacturing or mining, but have been very successful as arbitrators. On the other hand, Mr. A. J. Mundella, M. P., Mr. Joseph Chamberlain, M. P., Mr. David Dale, and others, who have been just as successful umpires, are or have been very extensive manufacturers.

On the part of the workmen there have been very strong objections at times to what they term "a stranger referee;" but it will be found that the success of a referee will not depend upon his practical acquaintance with the trade, so much as it will upon the man himself. If he is at all fitted for his responsible position in other ways, he can gain sufficient knowledge of the trade to enable him to give a just and intelligent decision. It seems, however, advisable, that, when it is possible, the referee should be an officer selected by the board, with a tenure of office the same as the board. It is not well to wait until the struggle begins, and each side, perhaps, is striving for victory,

and all they can get, before the one who is to decide between them is named. It is best to select him when judgment and reason rule. In this country, I think little difficulty will be experienced in securing umpires. I think it possible to name men in our own State, in whose fairness and judgment our iron and coal industries would be willing to confide.

When the practical operation of these boards is considered, a very serious difficulty is found in the absence of any recognized definite principle as a basis on which awards shall be made. For example: First and foremost among industrial questions, is that relative to the wages of labor. When this is before a board for decision, the question arises at once, What shall be the basis upon which the award shall be made? It is because of this very difficulty that arbitration boards exist. If there were such a basis definitely established, and universally acknowledged, the decision as to the wages at a given time would be a simple question of arithmetic or of book-keeping. It is to endeavor to discover what is fair and right at a given time that these boards are organized. As a matter of information, it may be said, that in the practical operation of the boards, while all the facts relative to prices, competition, demand and supply, both of labor and products, are considered, wages are generally based on the selling price of the articles produced. Mr. Kettle, in a noted arbitration in the coal trade, found a certain date at which the wages paid for work about the collieries were satisfactory to both sides. This became the ideal, and served to fix, in a general way, a ratio of wages to prices that would be a satisfactory one to both parties. Due notice was taken of any changes that had occurred that should serve to increase or diminish this ratio, such as reduction in the hours of labor, increased expense from mine inspection laws, etc.; and the arbitrator in his award endeavored to approximate this ratio as near as could be done without injustice or injury.

It has been objected to this course, that it involves an exposure of secrets in connection with one's business, that a manufacturer should not be called upon to make. To arrive at the wages paid and prices received for any commodity at a given time, an inspection of books is necessary. This objection must arise from a misapprehension of what is really done. The books are not brought into the board, nor are the arbitrators as a body, nor any one of them, permitted to inspect them. An accountant,

sworn not to divulge the details, but only the results, and these only to the board, unless they direct differently, is elected. He ascertains not how much it has cost to produce an article, unless so agreed upon, nor how much profit has been made; but what was the actual selling price of the commodity at the times desired. There can be no objection to this. No secrets are divulged, the accountant covering his work in such a way that it is impossible to trace a sale.

It is further argued, as against arbitration, that an umpire may make mistakes. They are human, and consequently liable to err. What would be the result if they did? It would be a very careless or ignorant umpire, one who had no business to occupy the position, who would make a mistake of, say, two per cent in his award. This would be, if the award held for six months, equal to about half a week's work, — three days. Would not this loss be better than a strike or a lock-out for probably many times this? A more pertinent answer to this objection might be to ask the question, whether an arbitrator is any more liable to make a wrong decision than a strike or lock-out? that is, is cool deliberation more liable to err than passionate impulse?

There is another objection that I imagine will have more weight in England than in this country. It is that arbitration is an attempt to interfere with the operation of natural laws — by which term is meant the politico-economical theories of Adam Smith and his successors and followers. It is not germane to the purpose of this report, to discuss the truth or falsity of these theories. It is enough for us to say that at present our knowledge as to industrial laws is extremely limited, and that the assumed facts upon which theories have been based, or from which these laws are deduced, have been questioned by some able political economists. However this may be, the law or theory is good only so long as the facts or phenomena remain the same. There is nothing eternal in an economic law; and when the facts change, or are modified, then the law, which is only a statement of these facts and their relations, changes, or is modified. Would it be wise or truthful to say that the facts or phenomena of labor have not undergone a wonderful change in the past century? Have not elements been introduced that promise permanence, that have produced marked changes in the relation of labor to employment, and demand changes in the

statements of these relations, or, in other words, of the laws? But no argument is necessary on this point. No one will deny that interference with these laws is possible. Demand or supply may be increased or diminished, and thus, by a deliberate interference, changes to our advantage or disadvantage made to occur.

Just here, I suggest, the vital question as to the advantage or disadvantage of arbitration is to be asked. We must acknowledge, that, just so long as labor maintains its present constitution, interference with these so-called laws will occur. Now, is it better to interfere with these laws by the peaceful and friendly methods of arbitration and conciliation, or by the destructive and hostile ones of strikes and lock-outs?

SECTION XI.

THE RELATION OF TRADES UNIONS TO ARBITRATION.

A most interesting and important study in connection with this subject is its relations to trade unions; that is, how do these societies regard arbitration and conciliation as a means for settling industrial questions? What part should they have in the formation of boards, the conduct of cases, and the enforcement of awards? Whatever may be one's views of trade unionism, it is a fact, and will doubtless continue to be one. It is more than probable, that not only in England, but in all countries, labor will tend more and more to combination, at least until there is some radical change in the relations of capital and labor, and the decisions, as to rates of wages and other economic questions, will be largely controlled by these combinations. I am aware that there are certain economic laws, the action of which no union can prevent, however much it may hinder, and these laws will, in spite of unions, prevail; but even the outcome of many of these may be very much modified, and of others entirely moulded, by combinations. It is not germane to my purpose to enter into a discussion of how far unions can affect the rewards of labor. It is a fact that they do; and so great an authority as the Duke of Argyle, in his "Reign of Law,"[1] states that combinations of workingmen for

[1] The Reign of Law, by the Duke of Argyle. 16th edition. London: 1872. Page 373.

the protection of their labor are recommended alike by reason and experience.

Such combinations cannot fairly be objected to. They are but unions of the workingmen's capital, — labor; and it is a question, if, after all that has been said about the evils of unionism, it is not better to have organized labor which is always somewhat conservative, than disorganized labor which is radical, and which, when it unites, becomes a mob, with no past to conserve and no future for which to provide.

These unions have been a large factor in freeing labor in Europe from the industrial slavery of the feudal system, and in bringing about industrial independence under the restraint of an enlightened intelligence, and equitable customs and laws. Notwithstanding some of the black pages of the history of English unionism, it has been a benefit to English labor, and an important means of its advancement. It is destined largely to rule it, and direct its future; and in proportion as it surrenders its indefensible practices, will be its value.

It is these facts that make important the views of trades unions as to arbitration.

As to their views in general, it can be said that they have for years been its warmest advocates. The report of the Trades Union Committee of the Social Science Association, made in 1860, is full of evidences of the truth of this statement. The two largest industrial interests in England to-day are the coal and iron. They have the largest and most ably managed of the unions of that country. In an interview which I had with Mr. Thomas Burt, once a miner, and now a member of Parliament, elected by the coal miners, he expressed his warm approval of the principle of arbitration.

Mr. Edward Trow, the successor of Mr. John Kane as secretary of the National Amalgamated Association of Iron Workers, writes me as follows: "With regard to my views on arbitration, I believe it is the only fair and honorable mode that can be adopted for settlement of questions between capital and labor; that where both parties meet with an earnest desire for a fair and honorable arrangement, and discuss the various questions in dispute in a kind and conciliatory spirit, there is no fear of failure, but, on the contrary, the old feeling of mistrust and jealousy is banished, and confidence in each other is established.

"The fault in connection with arbitration is when workmen come to meetings jealous and suspicious, believing that employers are their natural enemies; and employers, by not conversing with delegates in a free and friendly spirit, foster their suspicion; and only through this action is there any fear of failure. Arbitration in England is regarded with great favor by the workingmen, and only in a few solitary exceptions has it been refused, or its awards been rejected by workmen.

"If you wish arbitration to be successful, employers must meet delegates in a kind and conciliatory spirit, so as to gain the confidence of the workmen by proving that they only desire full and free discussion, and that no advantage will be taken of men for speaking their opinions. Let this be done, and arbitration will prove successful, and will be a blessing to employers and workmen."

The rules of this association, which, at the time they were drawn up, numbered thirty-five thousand members, contain the following clauses: —

Arbitration to be Offered in all Disputes.

16. That in the event of any misunderstanding or dispute arising with the members at any works and their employers, if connected with the North of England Board of Conciliation and Arbitration, they shall, in the first instance, refer the particulars of their grievance to the general secretary, who shall investigate the claims of the applicants according to the spirit of the arbitration rules, and endeavor to settle the matters referred to him. In the event of the general secretary being unable to settle any question calculated to produce irritation betwixt employer and employed, he shall call upon the standing committee to hold a meeting at an early day for the due consideration and settlement of such matters in dispute; and, if necessary, the full board shall be summoned to settle the same.

If a dispute takes place at any works not connected with the Northern Board of Arbitration and Conciliation, the general secretary shall hold a meeting with the general council to consider and, if possible, to settle the same. If desirable, a deputation from the council shall visit the works, in accordance with the instruction given by the general council.

The Duty of Members to form Arbitration Boards.

17. Where works are not connected with the board, the members of this association shall use their influence with employers and others, to join the present board, and to form new boards to suit the local circumstances of such works and workmen. And in case any dispute should arise where a board of conciliation and arbitration has not been formed, the workmen, who are members of this association, shall, before any step be taken calculated to produce a loss of employment, first make an offer in writing to the employer or employers, to settle the question in dispute by an appeal to conciliation and arbitration.

The above forms part of the organic law of one of the most influential of English trade organizations.

There is held yearly in England a convention known as the Trades Union Congress, or, as it is familiarly called, the Labor Parliament. This is a very important body, composed of delegates from the various unions of Great Britain. At the ninth convention, held in 1876, at which 113 societies and 557,488 members were represented, the following resolution was carried: —

"That this meeting, recognizing the benefits conferred on many of our great industries by the adoption of the principles of arbitration and conciliation, pledges itself to use every endeavor to extend the application of those principles to cases of dispute in which there may be a prospect of peaceful settlement by such means."

At the tenth session, held at Leicester in 1877, at which 112 societies and 691,089 members were represented, the president elect, on taking his seat, said, —

"The principle of appeal to facts and reasons instead of brute force is rational, and at once commends itself to the judgment of men. There is no wonder, therefore, that the principle of arbitration for settling disputes has grown very rapidly. In the hosiery trade in the midland counties, we were among the first who adopted it, and we do not regret having done so. The workmen sometimes have had adverse decisions; but on the whole it has worked better than the old mode. It is gratifying to find that the workmen generally are the first to adopt this intelligent and enlightened system. In some disputes which

have arisen in the country, notably the West Lancashire strike, the employers refused to submit to arbitration, although the men suggested it on three occasions. My own experience as a member of one of these boards has led me to this conclusion: If a board be properly constituted, and proper arrangements are made to give publicity to the facts of a case, the result generally will be a righteous award. I was glad to hear that the National Miners' Union have decided to offer arbitration in every dispute, and it forms a part of their rules. It is a rational arrangement, and it would be a good thing if all would adopt it. I think, too, arbitration boards should be open to the press and the public. Workmen have nothing to fear from either the one or the other. We want right and justice to rule, and we are not afraid of publicity. When men and employers gather round a board to talk over differences, and try to adjust them, they give evidence of their manhood. Beasts and reptiles fight and tear each other, and carry out the law of the strongest; but men reason and think, and by this means show their dignity, and arrive at much better conclusions and far less costly. Boards for settling disputes would not do away with unions: they would still be needed, and under increased necessity to enforce the decision of the board when given in favor of the workmen."

The constituency which these bodies represent is so large as to fully justify the statement that the trades unions of Great Britain are decidedly in favor of the principle of arbitration as a means of settling labor disputes.

In the practical workings of arbitration, trades unions have been found essential to its success. They have formed the centre around which the entire body of labor, non-unionist as well as unionist, has gathered, and by which the workmen members of the boards have been elected. As the result of his long experience, Mr. Kettle says, —

"I confess I see no organization but trades unions to fall back upon for the purpose of conducting the business of electing workmen delegates. It must be distinctly understood that I do not here intend that members of a trade society should elect the workmen's arbitrators. In all our staple trades there are unions, but the proportion of their members, to the total number of workmen, differs greatly in different trades. In all there are a greater number of what are called non-society men.

"All the workmen, whether unionists or not, should be represented at the arbitration board. I suggest that the trades-union organization is, at present, the most accessible means of carrying this out."

The organized union also gathers the facts upon which the arguments for the labor side are based; and it is in them that the moral power resides which has been found not only essential, but sufficient to the enforcing of the awards of the boards.

SECTION XII.

ARBITRATION AND THE STATE.

As has already been stated, arbitration and conciliation in their practical workings in England have been purely voluntary. Not only is this true of the submission of the dispute or difference, but of the acceptance and carrying out of the awards. The very nature of conciliation precludes the idea of legal sanctions for its awards, or a legal enforcement of the same. With arbitration it is different: its methods are nearer those of a court of law, and its decisions somewhat of the nature of verdicts based on testimony, and it is possible to give them the force of judicial decisions, capable of enforcement, with penalties in case of evasion. Some of the warmest and most intelligent advocates of arbitration have insisted that arbitration should have this legal aspect; while others, equally friendly and intelligent, have argued that to take away its purely voluntary character would be to destroy its usefulness.

There are at present, in the statute books of Great Britain, three acts relating to arbitration, — the first of these, passed in 1824, and generally referred to as 5 George IV., cap. 96; and the others later, passed in 1867 and 1872,[1] known commonly, respectively, as Lord St. Leonards' and Mr. Mundella's.

The first of these acts is evidently based on the French law for the establishment of *Conseils des Prud'hommes*, and, like that, gives considerable powers of compulsory arbitration. There is no permanent board or council established, but a justice of the peace or a referee appointed by him acts as umpire or referee. The operation of the act is restricted to disputes in certain trades, and upon certain subjects; and, although it

[1] The act of 1872 will be found in full in Appendix E.

admits of very extensive application, yet the act has not been generally received with favor. It only provides for the settlement of existing and not future disputes, and contains a proviso that "nothing in this act contained shall authorize any justice or justices, acting as hereafter mentioned, to establish a rate of wages, or price of labor or workmanship, at which the workmen shall in future be paid, unless with the mutual consent of both masters and workmen." The time, also, within which complaint is to be made, is, as to disputes about materials, within three weeks, and, as to complaints from any other cause, within three days.

As to the character of the awards, Sect. 13 of this act provides: —

"As well in all such cases of dispute as aforesaid" (meaning those enumerated in the second section) "as in all other cases, if the parties mutually agree that the matter in dispute shall be arbitrated and determined in a different mode to the one hereby prescribed" (that is, by justices, referees, etc.), "such agreement shall be valid, and the award and determination thereon final and conclusive between the parties, and the same proceedings of distress, sale, and imprisonment, as hereafter mentioned, shall be had towards enforcing such awards" (by application to any justice of the peace of the county, stewartry, riding, division, barony, city, town, burg, or place within which the parties shall reside) "as are by this act prescribed for enforcing awards made under and by virtue of its provisions."

The proceedings to enforce awards are as follows: Sect. 47 enacts that, "If any party shall refuse or delay to fulfil an award under this act for the space of two days after the same shall have been reduced into writing, it shall be lawful for any such justice as aforesaid, on application of the party aggrieved, and he is hereby required by writing under his hand, according to the form (A) of the schedule hereunto annexed, or in some other form to the like effect, to cause the sum and sums of money directed to be paid by any such award to be levied by distress and sale of any goods and chattels of the person or persons liable to pay the same, together with all costs," etc. And, in case there is no sufficient distress, "it shall be lawful for any justice, as aforesaid, and he is hereby required by warrant under his hand, according to the form (C) of the schedule hereunto annexed, or in some other form to the like effect, to com-

mit the person or persons so liable as aforesaid to the common gaol or some house of correction within his or their jurisdiction, there to remain without bail for any time not exceeding three months."

Sect. 25 provides for committal to prison in the first instance, where the justices think the issuing of a distress warrant would "be attended with consequences ruinous or in an especial manner injurious to the defaulter and his family."

Sect. 26 provides for the release from prison upon paying by the person committed "to the governor or keeper of the prison the full amount of the sum awarded, with all reasonable expenses incurred through such refusal or delay."

Sect. 28 says: "No appeal or *certiorari* shall lie against any proceedings under this act;" and Sect. 20, that "no proceedings under this act shall be invalid for want of form."

The fees to be taken under the act are very low, — 2*d.* for a summons, 4*d.* for an order, 6*d.* for a warrant, 4*d.* for service of summons or order, 1*s.* for execution and sale, 3*d.* per diem for custody of goods, etc.

The act of 1867, commonly called Lord St. Leonards' Act, is entitled "An act to establish equitable councils of conciliation to adjust differences between masters and men." Quoting Mr. Kettle's analysis of this act: "It proposes that the councils should be formed under license of the Home Secretary, granted upon the petition of masters and men in any particular trade or place; such petition to be based upon the resolution of a public meeting called for that purpose. This is subject to certain restrictive conditions as to residence and other qualifications. The bill provides that the petitioners shall elect the first council, and that succeeding councils should be elected each by registered members of the trade — masters and men — who shall be licensed by the council, and have resided six months in the town, etc., and, as to men, have worked seven years in the trade. The bill further provides for the appointment of a chairman (who must be unconnected with the trade), a clerk, and other officers. It also provides for registration, polling, the holding of meetings, the making of by-laws, and other matters necessary to carry on proceedings as a body corporate.

"The provision for determining disputes is Sect. 5, and is as follows: 'That a quorum of not less than three (one being a master, and another a workman, and the third the chairman)

may constitute a council for the hearing and adjudication of cases of dispute, and may accordingly make their award; but a committee of council, to be denominated the committee of conciliation, shall be appointed by the council, consisting of one master and one workman, who shall sit at such times as shall be appointed, and be renewed from time to time as occasion shall require; and all cases or questions of dispute which shall be submitted to the council by both parties shall, in the first instance, be referred to the said committee of conciliation, who shall endeavor to reconcile the parties in difference. When such reconciliation shall not be effected, the matter in dispute shall be remitted to the council, to be disposed of as a contested matter in regular course.' "

By the fourth section power is to be given to these councils to hear and determine all questions of dispute and difference between masters and workmen, as set forth in the 5th George IV., cap. 96, which might be submitted to them by both parties; and, as to which, the council is to have all the authority granted to arbitrators and referees by the before-mentioned act. The council are to be further authorized to adjudicate upon and determine any other case of dispute or difference submitted to them by mutual consent; but with the same proviso as in the act of George IV. against fixing future prices. Such awards to be enforced according to the provisions of the last-mentioned act. This bill of Lord St. Leonards would also establish a committee of two for the purpose of conciliation, in addition to the council before mentioned. The power would not be operative until a dispute had commenced; and then the two conciliators, or the two trade members of the quorum, would be in the position of ordinary arbitrators, and the independent chairman in that of the umpire. The defect in the system of Lord St. Leonards is that it does not make it obligatory to settle future disputes by the means provided in his act. His lordship had, no doubt, some good reason for confining his system to the settlement of existing disputes; but it is remarkable that the general law as to the binding effect of agreements to submit future disputes to arbitration has been finally settled by a most able judgment of his given in the case of "Dimsdale *vs.* Robertson" (2 Jones and Latouche), 58, given when his lordship was Lord Chancellor of Ireland.

The last act, that of 1872, we have given in full in the

Appendix. This act was the result, in some measure, of the sentiment in England in favor of Mr. Kettle's plan. It is to be regretted that it was not passed as drawn up by Mr. Kettle. This act gives all powers consistent with freedom of contract for the establishment of permanent boards of arbitration, with authority to fix future rates of wages, and power to enforce their awards by legal process.

Notwithstanding the existence of these laws, I was unable to learn of any recent cases of their use, if, indeed, they have ever been used. Moral coercion, in case of any attempt to repudiate the awards, and what Mr. Kettle so happily terms "that aggregate honor of individuals, which our French neighbors call '*esprit du corps*,'" have generally been sufficient to secure the enforcement of an award. The love of justice and fair play, which has led the parties to agree to submit their disputes to arbitrators, has also led them to act in good faith when the award has been made. Still it would not be without its effect if some simple, inexpensive legal method were provided for enforcing such of the awards of arbitration as in their nature are capable of such enforcement. I am aware of the impossibility of enforcing an award that relates to a future rate of wages, the most prolific source of disputes. In the very nature of the award, when it includes working rules or rates of wages, these rules or the contracts for hiring must be subject, so far as the individual is concerned, to termination on short notice; and therefore the award in its action must be bounded by this notice; but it seems just and right that until such notice has been given, and the contract ended in accordance with its terms, it should be conformed to, or penalties provided for its non-observance.

There is another obstacle to legal arbitration. An employé cannot be compelled to work unless he choose, nor a manufacturer to run at a loss. The advocates of the Wolverhampton system do not claim nor propose that this shall be done; but they wish to provide that one party shall not, on a moment's notice, discharge the other, nor shall the latter cease work without a moment's warning. This does not in any degree detract from the voluntary nature of arbitration. It simply is carrying out the evident truth, that, whilst one remains a party to an agreement, he is bound to abide by the terms. If he does not like the terms, his remedy is to free himself in the proper way.

Legal arbitration in the sense in which Mr. Kettle advocates it only proposes to secure by legal means the performance of honorable obligations.

SECTION XIII.

CONCLUSION.

In the foregoing pages I have endeavored to give, in as brief a space as possible, the history and practical workings of Industrial Arbitration and Conciliation. My inclination and the importance of the subject would have led me at times to much fuller details and a more complete discussion of the subject, had I not rigidly adhered to a determination to include this report within such limits as would secure a reasonable probability of its being read. With such limitations, it has been impossible to more than touch upon the history and accomplishments of arbitration and conciliation. In fact, a large part of its history, especially that which relates to the working of conciliation, by which ninety per cent of the cases are settled, is of such a nature that its details cannot be given. It can only be known by its results; and these have been a better and more cordial feeling between employers and employed, and a mutual cooperation and trust that promises the most satisfactory and speedy solution of some of the most vital questions that vex industrial society.

I have not forgotten that the present constitution of industrial society is not for all time. There are great and vital changes that must take place. There are, even at the present time, important re-adjustments in progress in the relations of capital and labor. These must continue, and with these changes new modes and new expedients must be adopted.

While this is true, the practical question for us is, What, in the present condition of the relations of capital and labor, is best calculated to harmonize those relations, and give to each its just proportion of the results of their united energies?

I believe that the practice of arbitration and conciliation will tend to these ends. As a result of the fair and open discussions of the boards, knowledge will be acquired, the views of each modify those of the other, and out of it, and as a result of it, will come such relations between capital and labor as will effectually put an end to industrial conflict.

Of the great value of arbitration and conciliation as means of settling trades' disputes, there can be no question. That it is infinitely to be preferred to the barbarous method of strikes and lock-outs, is scarcely a subject of argument. In the terse language of Mr. George Howell, formerly secretary of the Trades Union Congress, "the whole question lies in a nutshell. Is brute force better than reason? If it be, then a costermonger may be a greater personage than a philosopher, and Tom Sayers might have been considered superior to John Stuart Mill."

I do not claim for arbitration that it is a wonder worker. It is not perfect. It is used by men that are very human, and who, under the present condition of things, are extremely selfish. For these reasons it will fail to accomplish all that is expected. Though it may fail at times, when it is fairly and honestly tried it will in most cases succeed; and under its action, wherever established, an intelligent co-operation between employers and employed will be effected, and steady employment secured at those rates of wages which the industrial conditions of a competitive market enable capital to pay.

As before stated, differences between capital and labor must constantly arise. They are here now. It is for our workmen and manufacturers to say how these differences shall be settled, whether by reason or by brute force. Decide they must, and in some cases soon. The solicitude to discover some more rational way of settling these differences than by the barbarous methods of strikes and lock-outs is shared equally by workmen and employers, and probably most of all by the on-looking public. While this end may be the immediate object of the solicitude of these classes, underneath it lies an earnest desire to find a permanent, honorable, reasonable solution of this and other phases of that most important of all human problems, the labor question. We are greatly in the dark on this subject. I believe we are moving toward the light. Looking back a hundred years, we can see the gradual brightening of what was then the darkest of all social problems, and need have no fears of the result. It may be delayed; but reason will rule, and determine the nature of the relations of capital and labor. There are certain facts that we may refuse to acknowledge, and, refusing to own, may go on in the old way; but the new way of reason and a respect for the rights of each other will win. I believe that arbitration and conciliation will aid in bringing about the rec-

ognition of these rights. It is not an end nor a solution of the problem. It is on the way to the end, and is much nearer it than a strike or a lock-out. It will be a day of the greatest promise, when in our State we shall put aside our preconceived prejudices and the notions of the past, when we shall realize that something higher than brute force has come into the affairs of men to adjust and harmonize them, and when, acting on this belief, we shall urge forward an industrial re-organization on the basis of reason and right. There can be no nobler or more sacred work for men to do.

APPENDIX A.

BOARD OF ARBITRATION AND CONCILIATION FOR THE HOSIERY AND GLOVE TRADE.

Rules.

1. That a board of trade be formed, to be styled the "Board of Arbitration and Conciliation for the Hosiery and Glove Branches."

2. That the object of the said board shall be to arbitrate on any questions relating to wages that may be referred to it from time to time by the employers or operatives, and by conciliatory means to interpose its influence to put an end to any disputes that may arise.

3. The board to consist of eleven manufacturers and eleven operatives. The operatives to be elected by a meeting of the respective branches. The manufacturers to be elected by a public meeting of their own body. The whole of the deputies to serve for one year, and to be eligible for re-election. The new council to be elected in the month of January, in each year.

4. That each delegate attend the board with full powers from his own branch, and that the decision of the board shall be considered binding upon the branch he represents.

5. That a committee of inquiry, consisting of four members of the board, shall inquire into any cases referred to it by the secretaries. Such committee to use its influence in the settlement of disputes. If unable amicably to adjust the business referred to it, it shall be remitted to the board for settlement; but in no case shall the committee make any award. The committee to be appointed annually.

6. That the board shall, at its annual meeting, elect a president, vice-president, and two secretaries, who shall continue in office one year, and be eligible for re-election.

7. That the board shall meet for the transaction of business once a quarter, viz., the first Monday in January, April, July, and October; but on a requisition to the president, signed by three members of the board, specifying the nature of the business to be transacted, he shall, within seven days, convene a meeting of its members. The circular calling such meeting shall specify the nature of the business for consideration, provided that such business has first been submitted to the committee of inquiry, and left undecided by them.

8. That all complaints submitted to the board for their investigation be embodied in writing, stating, as clearly as possible, the nature of the grievance complained of; such statement to be sent at least one week prior to the board meeting.

9. That, prior to any advance or reduction in the rate of wages being considered by the board, a month's notice shall be given in writing to the secretary, that such change is desired.

10. That the president shall preside over the meetings of the board, and, in his absence, the vice-president. In the absence of both president and vice-president, a chairman shall be elected by a majority present. The chairman to have a vote, and, in case of members being equal, the chairman to have the casting vote.

11. That any expense incurred by this board be borne equally by the operatives and employers.

12. That no alteration or addition be made to these rules, except at a quarterly meeting, or a special meeting convened for the purpose. Notice of any proposed alteration shall be given in writing one month previous to such meetings.

APPENDIX B.

RULES OF THE WOLVERHAMPTON BUILDING TRADE.

Rules for Regulating the Carpenters' and Joiners' Branch.

We, the undersigned [A B], umpire; [C D, E F, and four others], arbitrators appointed by the master builders; [G H, I J, and four others], arbitrators appointed by the operative carpenters and joiners,—having fully and fairly discussed

certain alterations in the rules proposed on behalf of the masters and men respectively, of which due notice had been given, do hereby certify that we have, by unanimous resolution, agreed upon the following rules, to come into operation on the first day of May next.

Arbitration.

RULE 1. That if any trade dispute shall arise between master and workman, such dispute shall be settled by the award of [C D, E F, and four others], on the part of the master builders, and [G H, I J, and four others], on the part of the operative carpenters and joiners, who are hereby appointed trade arbitrators, or by a majority of them; or, in case they or a majority of them cannot agree, then by the award of [A B], who is hereby appointed umpire; and that in case any or either of the masters' arbitrators shall happen to die, or cease to carry on business in the town of Wolverhampton, or be ill and unable to attend to the business of arbitration during the continuance of these rules, then the surviving or remaining masters' arbitrators shall appoint another or other master builder or builders then carrying on business in the town of Wolverhampton, in the place of him or them who shall so have died or ceased to carry on business, or become incapable of acting; and in case any or either of the workmen's arbitrators shall happen to die, or cease to work as a carpenter and joiner in the town of Wolverhampton, or become ill and incapable of attending to the business of arbitration during the continuance of these rules, then the surviving or remaining workmen's arbitrators shall appoint other or another carpenter and joiner, then working in the town of Wolverhampton, in the place of him or them who shall have died or ceased to work, or become incapable of acting. And in case either or any of the masters or men appointed arbitrators shall be a party or parties to the dispute to be decided, other arbitrators shall, for the purpose of that arbitration only, be appointed in manner hereinbefore provided for filling up vacancies. That, upon any dispute arising, either the master or workman may forthwith give notice to the umpire of the same, who shall thereupon summon the arbitrators to meet at some convenient time and place within seven days, for the purpose of hearing and determining the said dispute. At the meeting so to be held, both parties, and such others as the arbitrators

or umpire may think necessary, shall be heard; and both parties shall produce before the arbitrators and umpire such documents in their possession relating to the dispute as they or either of them shall require. The award of the said arbitrators, or a majority of them, or, in case they or a majority of them cannot agree, then the award of the umpire shall be binding, and conclusive upon all parties to the dispute arbitrated. The award shall be made within three days after the sitting, or, if more than one, after the last sitting, of the arbitrators. The award shall not be void or voidable for want of form; and may be referred back for amendment in form to the arbitrators or umpire, as the case may be, by any judge or magistrate. No proceedings whatever at law or in equity shall be taken against either arbitrators or umpire, or any of them, for any thing done under this rule.

And, lastly, that the arbitrations hereinbefore provided are intended between masters and workmen to be, and for all intents and purposes shall be, taken and held to be under the provisions of Sect. 13 of the 5th of George IV., cap. 96.

Conciliation.

2. That in case any trade dispute or difference of a private nature shall arise between any individual master and any individual workman or workmen, by which the general interests of the trade are not directly affected, then in such case, before proceeding to arbitration under the last rule, the master shall nominate one of the hereinbefore appointed masters' arbitrators, and the workman or workmen one of the hereinbefore appointed workmen's arbitrators, who shall, as soon as conveniently may be, meet together, and endeavor, if possible, to arrange such private dispute or difference without proceeding to a formal reference; and, in case they cannot so arrange such difference to the mutual satisfaction of both contending parties, the matter in dispute shall be determined by arbitration under Rule 1, as though no such meeting for conciliation had been held.

Society and Non-society Men.

3. Neither masters nor men shall interfere with any man on account of his being a society or non-society man. The society men pledge themselves not to annoy, nor allow annoyance to, non-society men.

Masters' Conduct of Business.

4. Each master shall have power to conduct his own business in the matter of the employment of any man he thinks fit, on any work he considers him capable of doing; in taking apprentices; in using machinery and implements; and in all details of the management of his business, not infringing on the individual liberty of the workman. Provided that, on any job where a number of carpenters and joiners are employed, their instructions shall be given by the employer, or, in his absence, by the general manager, through the carpenter and joiner appointed to take the lead of the job.

Wages, Payment by the Hour.

5. All time shall be reckoned and paid for by the hour, at the following rates: The class of men who have hitherto been paid five pence three farthings per hour shall be paid sixpence per hour, and other classes of men in proportion; but men working only on unprotected buildings shall be paid one halfpenny per hour additional for six weeks before and six weeks after Christmas Day. Provided that when a man employed on unprotected buildings has the option of making up his full time by working in the shop, he shall be paid at the ordinary rate only, it being the intention of both parties that men of the same class shall have the opportunity of earning the same wages in each week.

Time of Work.

6. The shops and works shall be open from six o'clock in the morning till half-past five o'clock in the evening for the first five working days in the week, and from six o'clock in the morning till four in the afternoon on Saturday, allowing one and an half hour per day for meals; but from six weeks before till six weeks after Christmas Day, workmen on unprotected buildings, who are not provided with work in the shop to fill up their full time, shall work from seven o'clock in the morning till five o'clock in the evening on the first five working days of the week, and from seven o'clock in the morning till four o'clock in the afternoon on Saturday, with one hour per day allowed for meals. Provided that for men who wish to be paid at the office on Saturday, between one and two o'clock, under the next rule, the hour of ceasing to work on that day shall be one o'clock instead of four.

Reckoning and Payment.

7. Time and wages shall be reckoned up to Friday night in each week, and wages shall be paid at the pay office, at the shop, on Saturday, between the hours of one and two, to all men who require a half-holiday; the men requiring payment then to walk to the pay office in their own time. Other men will be paid either at the pay office, at the shop, or upon the job, at four o'clock, as heretofore.

Overtime.

8. All time made at the request of the master, between eight o'clock in the evening and five o'clock in the morning, shall be paid for at the rate of ninepence per hour, and on Sunday shall be paid for at one shilling per hour.

Distant Work.

9. Walking time shall be paid as follows: that is to say, if the distance of the work or job be within two miles from the High Green, Wolverhampton, the men shall walk in their own time. If more than two miles from that place, then walking time shall be allowed at the rate of three miles per hour beyond the first mile and a half. The men to walk back in their own time, except on Saturdays, when the wages are not paid on the job or place of work. Lodgings to be paid for at all jobs beyond four miles distance, at the rate of two shillings per week. Railway fares shall be matters of special arrangement between master and man.

Notice.

10. One working day's notice shall be given before a man leaves an employer, or before a master discharges a man.

Rules, How Long in Force, and How and When to be Altered.

11. These rules shall come into operation on the first day of May next, and shall continue in force for one year. Should either party require an alteration in these rules at the end of the time specified, notice shall be given to the other party of such required alteration, in the month of January next. If no such notice shall be given, then these rules shall continue in force until the first of May in the next year, and so on from year to year, until either party shall give notice to the other, in the

month of January in any year, that an alteration in these rules will be required on the first day of May next following such notice.

Printing, Publishing, and Proving these Rules.

12. That these rules shall be printed and posted up in some conspicuous place in each of the master builders' workshops in Wolverhampton; and that a printed copy of these rules, issued by the umpire, shall be read as evidence of the contract and submission to arbitration, between any master builder carrying on business in the municipal borough of Wolverhampton, and any carpenter and joiner, in any proceedings to enforce any award made under these rules, unless a special contract in writing shall have been entered into between the parties.

Dated this thirty-first day of March, 1866.

[*Signatures of Masters' Arbitrators.*]
[*Signatures of Men's Arbitrators.*]
[*Signature of Umpire.*]

APPENDIX C.

BOARD OF ARBITRATION AND CONCILIATION FOR THE NORTH OF ENGLAND MANUFACTURED IRON TRADE.

Rules.

1. The title of the board shall be "The Board of Arbitration and Conciliation for the Manufactured Iron Trade of the North of England."

2. The object of the said board shall be to arbitrate on wages, or any other matters affecting their respective interests, that may be referred to it from time to time by the employers or operatives, and, by conciliatory means, to interpose its influence to prevent disputes, and put an end to any that may arise.

3. The board shall consist of one employer and one operative representative from each works joining the board. Where two or more works belong to the same proprietors, each works may claim to be represented at the board.

4. The employers shall be entitled to send one duly accredited representative from each works to each meeting of the board.

5. The operatives of each works shall select a representative by ballot in the month of December in each year: the name of such representative and of the works he represents shall be given in to the secretaries on or before the 1st of January next ensuing.

6. The operative representatives so chosen shall continue in office for the calendar year immediately following their election, and shall be eligible for re-election.

7. If any operative representative die, or resign, or cease to be qualified by terminating his connection with the works he represents, a successor shall be chosen within one month, in the same manner as is provided in the case of annual elections.

8. Each representative shall be deemed fully authorized to act for the works which has elected him; and the decision of a majority of the board, or of its referee, shall be binding upon the employers and operatives of all works which have joined the board.

9. At the meeting of the board, to be held in January in each year, it shall elect a president and vice-president, one from the employers and the other from the operatives, also a deputy president and a deputy vice-president in like manner, and two secretaries, who shall continue in office till the corresponding meeting of the following year, but shall be eligible for re-election. The president and vice-president shall be *ex-officio* members of all committees.

10. At the same meeting of the board a standing committee shall be appointed, as follows: The employers shall nominate ten of their number (not more than five of whom shall be summoned to any meeting of the committee), and the operatives five of their number. The president and vice-president shall be also *ex-officio* members of the committee.

11. All questions shall, in the first instance, be referred to the standing committee, who shall investigate and endeavor to settle the matter so referred to it, but shall have no power to make an award, unless by consent of the parties. In the event of the committee being unable to settle any question, it shall, as early as possible, be referred to the board.

12. The president shall preside over all meetings of the board, and in his absence the vice-president. In the absence of both president and vice-president, a chairman shall be elected by the meeting.

13. All votes shall be taken at the board by show of hands, unless any member calls for a ballot. The chairman and vice-chairman shall not be entitled to vote, but the works for which the chairman and vice-chairman respectively were elected shall be entitled to nominate another representative in each case. If at any meeting of the board the employer representative or the operative representative of any works be absent, the other representative of such works shall not, under the circumstances, be entitled to vote.

14. In case of an equality of votes at the board, it shall appoint an independent referee, whose decision shall be final and binding; but, whenever such equality of votes arises on the choice of independent referee, the original question shall be referred to and finally decided by the award of three indifferent persons, or a majority of them, one of such persons to be named by each section of the board, and the third by the two persons so named by the board, within fourteen days of such meeting.

15. The board shall meet for the transaction of business twice a year, in January and July; but on a requisition to the president, signed by five members of the board, specifying the nature of the business to be transacted, and stating that it has been submitted to the standing committee, and left undecided by them, he shall, within fourteen days, convene a meeting of the board. The circular calling such meeting shall specify the nature of the business for consideration.

16. All questions requiring investigation shall be submitted to the standing committee or to the board, as the case may be, in writing, and shall be supplemented by such verbal evidence or explanation as they may think needful.

17. No subject shall be brought forward at any meeting of the standing committee or of the board, unless notice thereof be given to the secretaries seven clear days before the meeting at which it is to be introduced.

18. The standing committee shall meet for the transaction of business prior to the half-yearly meetings, and in addition as often as business requires. The place of meeting shall be arranged between the president and secretaries, in default of any special direction.

19. Any expenses incurred by this board shall be borne equally by the employers and operatives; and it shall be the duty of the standing committee to establish the most conven-

ient arrangements for collecting what may be needed to meet such expenses.

20. The sum of ten shillings for each member of the board or standing committee shall be allowed for each meeting of the board or standing committee, together with such percentage addition as is for the time being made by order of the board to the standard wages. This sum shall be divided equally between the employers and operatives, and shall be distributed by each side in proportion to the attendances of each member. In addition each member shall be allowed second-class railway fare each way; and, when an operative member is engaged on the night shift following the day on which a meeting is held, he shall be allowed payment for a second shift.

21. If any works desires to join the board at any other time than is contemplated in Rules 4 and 5, such desire shall be notified to the secretaries, and by them to the standing committee, who shall thereupon admit such works to membership, on being satisfied that representatives have been chosen in the manner prescribed by the rules.

22. No alteration or addition shall be made to these rules, except at the first meeting of the board to be held in January in each year; and unless notice in writing of the proposed alteration be given to the secretaries at least one calendar month before such meeting. The notice convening the annual meeting to state fully the nature of any alteration that may be proposed.

By-Laws.

RULE 5. In the month of November in each year, the secretaries shall issue a notice to each firm connected with the board requesting them to elect representatives in the month of December, and shall supply them with the requisite forms.

RULE 10. The committee shall have power to fill up all vacancies that may arise during the quarter.

RULE 11. An official form shall be supplied to each representative, on which complaints can be entered. Either secretary receiving a complaint shall be required to forward a copy of the same to the other secretary, and the complaint shall be considered as officially before the board from the date of such notice.

RULE 17. This rule to be interpreted to mean that no case in which the committee are called upon to deal finally with a complaint from any member of the board, shall be taken up,

without seven days' notice has been received; but this not to apply to routine business, or to such preliminary investigation of complaints as may be necessary.

RULE 19. The sum of 3*d.* per head, per quarter, shall be deducted from the wages of each operative earning 2*s.* 6*d.* per day and upwards (in case he does not object in writing to such deduction), on the first day in the months of January, April, July, and October. Each firm shall pay an amount corresponding to the total sum deducted from the workmen. The contributions shall be forwarded on official forms, to be supplied by the secretaries, to the bankers (the National Provincial Bank of England), within one week from the day when the money is deducted from the operatives.

RULE 20. If any member be compelled in the service of the board to attend meetings on two or more days consecutively, the sum of 3*s.* 6*d.* each be allowed per night. This is not to apply to any members living in the place where the meeting is held. Members attending meetings on any day except Mondays or Saturdays, and being that week employed on the night turn, to be paid for two days for each sitting.

The board earnestly invites the attention of all who belong to it, either as subscribers or as members, to the following instructions: —

If any subscriber of the board desires to have its assistance in redressing any grievance, he must explain the matter to the operative representative of the works at which he is employed.

The operative representative must question the complainant about the matter, and discourage complaints which do not appear to be well founded.

If there seems good ground for complaint, the complainant and the operative representative must take a suitable opportunity of laying the matter before the foreman or works' manager or head of the concern (according to what may be the custom of the particular works). An official form on which complaints may be stated can be obtained from the secretaries.

The complaint should be stated in a way that implies an expectation that it will be fairly and fully considered, and that what is right will be done.

In most cases this will lead to a settlement without the matter having to go further.

If, however, an agreement cannot be come to, a statement of the points in difference must be drawn out, signed by the employer and the operative representative (and, if possible, by the employer also), and forwarded to the secretaries of the board, with a request that the standing committee will consider the matter.

It will be the duty of the standing committee to meet for this purpose as soon after the expiration of seven days from receipt of the notice as can be arranged.

It is not, however, always possible to avoid some delay; and the complainant must not suppose that he will necessarily lose any thing by having to wait, as any recommendation of the standing committee or any decision of the board may be made to date back to the time of the complaint being sent in.

Above all, the board would impress upon its subscribers that there must be no strike or suspension of work. The main object of the board is to prevent any thing of this sort; and, if any strike or suspension of work takes place, the board will refuse to inquire into the matter in dispute till work is resumed; and the facts of its having been interrupted will be taken in account on considering the question.

It is recommended that any changes in modes of working requiring alterations in the hours of labor, or a revision of the scale of payments, should be made matters of notice, and, as far as possible, of arrangement beforehand, so as to avoid needless subsequent disputes as to what ought to be paid.

APPENDIX D.

BOARD OF ARBITRATION AND CONCILIATION FOR THE LACE TRADE FOR 1876.

Rules, as adopted at the Meeting of Delegates held at the Mechanics' Hall, Sept. 17, 1874, and amended July 10, 1876.

1. That a board of trade be formed, to be styled the "Board of Arbitration and Conciliation for the Lace Trade."

2. That the object of the said board shall be to arbitrate on any questions that may be referred to it, from time to time, by the joint consent of employer and workman, and, by conciliatory means, to interpose its influence to put an end to any dispute that may arise.

3. This board to consist of twelve manufacturers and twelve operatives, five of each to form a quorum. The manufacturers to elect six levers, three curtain, and three plain net representatives, and the operatives six levers, three curtain, and three plain net representatives, each to be chosen by their respective associations. The whole of the delegates to serve for one year, and to be eligible for re-election. The new council to be elected in the month of January in each year. That when a special question arises, upon which the members of the board have not sufficient information, it shall be competent for either side to introduce, after seven days' notice to the secretaries, not more than two extra delegates, who shall give information and enter into discussion upon such question; but, in every case, only members of the board shall vote. The above alteration shall also apply to special meetings of each branch. No changes shall be made in the extra delegates whilst the question is under discussion.

4. The decision of the board shall be binding on the parties to any dispute submitted by them.

5. That a committee of inquiry of six members of the board, three employers and three workmen, engaged in that particular branch in which the dispute arises, shall inquire into any cases referred to it; such committee to use its influence in the settlement of disputes. If unable, amicably, to adjust the business referred to it, it shall be remitted to the whole of the members of that branch upon the board, and, should no agreement then be arrived at, the case shall be submitted to a full board; but in no case shall the committees make any award. The committees to be appointed annually at the first meeting of the board.

6. That the board shall, at its first meeting in each year, elect a president, vice-president, treasurer, referee, and two secretaries, who shall continue in office for one year, and be eligible for re-election.

7. That the board shall meet for the transaction of business once a quarter, viz., the second Monday in January, April, July, and October; but on a requisition to the president, signed by three members of the board, specifying the nature of the business to be transacted, he shall, within seven days, convene a meeting of its members. The circular calling such meeting shall specify the nature of the business for consideration, pro-

vided that such business has first been submitted to the committee of inquiry, and left undecided by them.

8. The parties to any dispute remitted to the board shall, if possible, agree to a joint written statement of their case; but, if they cannot agree, a statement in writing from each party shall be made, and in either case forwarded to the secretaries within seven days of the board's meeting.

9. That the president shall preside over the meetings of the board, and in his absence the vice-president. In the absence of both president and vice-president, a chairman shall be elected by the majority present. The chairman to have but one vote, and, in case of numbers being equal, appeal shall be made to the referee.

10. That the decision of the referee shall be final, and immediately binding on both sides.

11. That when at any meeting of the board the number of employers and workmen is unequal, all shall have the right of fully entering into the discussion of any matters brought before them, but only an equal number of each shall vote. The withdrawal of the members of whichever body may be in excess, to be by lot.

12. That any expenses incurred by this board be borne equally by the operatives and employers, and the accounts to be produced and passed at each quarterly meeting.

13. That no alteration or addition be made to these rules except at a quarterly meeting, or a special meeting convened for the purpose. Any member of the board intending to propose an alteration or addition shall furnish the exact terms thereof, in writing, to the secretaries, twenty-eight days before such meeting; and the secretaries shall give twenty-one days' notice of the same to each member of the board.

APPENDIX E.

ARBITRATION ACT OF 1872.

Masters and Workmen (Arbitration) Act (35 *and* 36 *Victoria, Chap.* 46).

An Act to make further provision for arbitration between masters and workmen. 6th August, 1872.

WHEREAS, By the Act of the fifth year of George the Fourth, chapter ninety-six, intituled "An Act to consolidate and amend the laws relative to the arbitration of disputes between masters and workmen," hereinafter referred to as the "principal Act," provision is made for the arbitration in a mode therein prescribed of certain disputes between masters and workmen.

And whereas, It is expedient to make further provisions for arbitration between masters and workmen:

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

I. The following provisions shall have effect with reference to agreements under this Act.

(1) An agreement under this act shall either designate some board, council, persons or person as arbitrators or arbitrator, or define the time and manner of appointment of arbitrators or an arbitrator; and shall designate by name, or by description of office or otherwise, some person to be, or some person or persons (other than the arbitrators or arbitrator), to appoint an umpire in case of disagreement between arbitrators.

(2) A master and a workman shall become mutually bound by an agreement under this Act (hereinafter referred to as "the agreement"), upon the master or his agent giving to the workman, and the workman accepting, a printed copy of the agreement: *Provided*, That a workman may, within forty-eight hours after the delivery to him of the agreement, give notice to the master or his agent that he will not be bound by the agreement, and thereupon the agreement shall be of no effect as between such workman and the master.

(3) When a master and workman are bound by the agreement, they shall continue so bound during the continuance of any

contract of employment and service which is in force between them at the time of making the agreement, or in contemplation of which the agreement is made, and thereafter so long as they mutually consent from time to time to continue to employ and serve without having rescinded the agreement. Moreover, the agreement may provide that any number of days' notice, not exceeding six, of an intention on the part of the master or workman to cease to employ or be employed shall be required, and in that case the parties to the agreement shall continue bound by it, respectively, until the expiration of the required number of days after such notice has been given by either of the parties.

(4) The agreement may provide that the parties to it shall, during its continuance, be bound by any rules contained in the agreement, or to be made by the arbitrators, arbitrator, or umpire, as to the rates of wages to be paid, or the hour or quantities of work to be performed, or the conditions or regulations under which work is to be done, and may specify penalties to be enforced by the arbitrators, arbitrator, or umpire, for the breach of any such rule.

(5) The agreement may also provide that in case any of the following matters arise they shall be determined by the arbitrators or arbitrator: viz.,

(*a*) Any such disagreement or dispute as is mentioned in the second section of the principal Act; or,

(*b*) Any question, case, or matter to which the provisions of the Master and Servant Act, 1867, apply:

And thereupon, in case any such matter arises between the parties while they are bound by the agreement, the arbitrators, arbitrator, or umpire shall have jurisdiction for the hearing and determination thereof; and upon their or his hearing and determining the same no other proceeding shall be taken before any other court or person for the same matter; but, if the disagreement or dispute is not so heard and determined within twenty-one days from the time when it arose, the jurisdiction of the arbitrators, arbitrator, or umpire shall cease, unless the parties have, since the arising of the disagreement or dispute, consented in writing that it shall be exclusively determined by the arbitrators, arbitrator, or umpire.

A disagreement or dispute shall be deemed to arise at the time of the act or omission to which it relates.

(6) The arbitrators, arbitrator, or umpire may hear and determine any matter referred to them in such manner as they think fit, or as may be prescribed by the agreement.

(7) The agreement, and also any rules made by the arbitrators, arbitrator, or umpire in pursuance of its provisions, shall, in all proceedings, as well before them as in any court, be evidence of the terms of the contract of employment and service between the parties bound by the agreement.

(8) The agreement shall be deemed to be an agreement within the meaning of the thirteenth section of the principal Act, for all the purposes of that Act.

(9) If the agreement provides for the production or examination of any books, documents, or accounts, subject or not to any conditions as to the mode of their production or examination, the arbitrators, arbitrator, or umpire, may require the production or examination (subject to any such conditions) of any such books, documents, or accounts in the possession or control of any person summoned as a witness, and who is bound by the agreement; and the provisions of the principal Act for compelling the attendance and submission of witnesses shall apply for enforcing such production or examination.

II. This Act may be cited as "The Arbitration (Masters and Workmen) Act, 1872."

MEMORANDUM.

The Uses of the Act.

Briefly stated, the uses of the Act are three: viz., —

1. To provide the most simple machinery for a binding submission to arbitration, and for the proceedings therein.

2. To extend facilities of arbitration to questions of wages, hours, and other conditions of labor, and also to all the numerous and important matters which may otherwise have to be determined by justices under the provisions of the "Master and Servant Act," 1867.

3. To provide for submission to arbitration of future disputes by anticipation, without waiting till the time when a dispute has actually arisen, and the parties are too much excited to agree upon arbitrators.

Mode of putting the Act in Operation.

1. A form of agreement must be drawn up and printed either by the employer or by the workman. Such a form is appended (No. I.). But this form is not obligatory, and it may be varied to any extent not inconsistent with the provisions of the Act.

2. When the form of agreement is settled and printed, it will become binding on an employer and a workman, reciprocally, upon the employer giving to the workman — and the workman accepting — a printed copy. But the workman has forty-eight hours to consider and satisfy himself of the effect of the agreement, and if within that time he gives a written or verbal notice to the employer or his agent, that he rejects it, he will not be bound by it. If, after accepting the copy, he does not give such notice, then both he and the employer will be bound by the agreement during the agreed term of employment (whether that term be a day, or a week, or a year), and no longer. The agreement, however, may itself provide that six days' notice shall be given of an intention to terminate the employment. And, in any case, upon an expiration of an agreement, it may be renewed in the same manner as before.

3. In case any dispute, of a kind to which the agreement relates, arises between the parties bound by it during the continuance of the agreement, the dispute will be heard and determined; not by the parties, but by the arbitrators in the mode prescribed by the agreement; or, if no mode is so prescribed, then at their discretion. The attendance of witnesses, and the production of evidence, may be enforced in the manner provided by the Arbitration Act of 1824 (5 George IV., c. 96).

4. The award of the arbitrators may be in the annexed form (II.). And it may be enforced in the manner provided by the Arbitration Act, 1824 (5 George IV., c. 96), by distress, or imprisonment, and otherwise, or it may be enforced by plaint in the county court.

5. An analysis is appended of the clauses of the Arbitration Act, 1824, which will be applicable for the purposes of this Act.

FORMS OF AGREEMENT AND AWARD.

I. FORM OF AGREEMENT.

The Arbitration (Masters and Workmen) Act, 1872.

A B [here insert name or usual description of the employer's firm and the name of the works] and C D [here insert the name and occupation of the workman].

1. The arbitrators shall be E F and G H (or an arbitrator shall, on or before the . . day of . . . , 18 . , be named in writing by H I on the part of the employer, or by J K on the part of the workman).

2. The umpire, in case the arbitrators are equally divided, shall be L M (or shall be the person for the time being holding the office of . . . or shall be appointed by N O).

3. In case a person by whom any thing is to be done under this agreement as an arbitrator or umpire, or as a person appointed to nominate any arbitrator or umpire, dies, or declines to act, or becomes incapable of acting, or is interested as a party or otherwise in the matter referred to him, a person shall be appointed in writing by P Q, or, if P Q do not appoint within three days after request in writing from either party to the agreement, then by R S, to act in the place of the person so dying, declining, or becoming incapable, or being interested.

4. Six days' notice shall be required of an intention on the part either of the employer or of the workman to terminate the contract of employment and service in respect of which this agreement is made.

5. The parties to this agreement agree to the following rules (or to such rules as may be made by the arbitrators on the following subjects): viz., —

(*a*) As to the rate of wages [here insert any such rule agreed on].

(*b*) As to the hours and quantity of work to be performed [here insert any such rule agreed on].

(*c*) As to the conditions or regulations under which work is to be done [here insert any such rule agreed on]. The penalties for the breach of the above rules shall be the following [here insert the penalties].

6. The following disputes arising between employer and

workman during the continuance of this agreement shall be determined by arbitration under this agreement: viz.,—

(*a*) Any such disagreement or dispute as is mentioned in the second section of the Arbitration Act, 1824 (5 George IV., c. 96), except [here insert a description of any such disagreements or disputes which it is intended to except].

(*b*) Any question, case, or matter to which the provisions of the Master and Servant Act, 1867, apply, except [here insert a description of any such question, case, or matter which it is intended to except].

7. The arbitrators or umpire shall hear any matter referred to them in the following manner: viz., [here insert any regulations by which it is desired to govern the proceedings of the arbitrators or umpire, e. g., that they shall decide on written statements from each side, or that they shall hear oral evidence].

8. The following books, documents, and accounts shall, on demand by the arbitrators or umpire, be produced, and submitted for examination, subject to the conditions hereafter mentioned: viz.,—

(*a*) Books, documents, and accounts [here insert a description of them, or any such books, documents, and accounts as the arbitrator or umpire think fit to demand].

(*b*) Conditions [here insert any condition as to the mode of production or examination].

II. FORM OF AWARD.

The Arbitration (Masters and Workmen) Act, 1872.

Award.

We, A B and C D [name the arbitrators or umpire], the arbitrators or umpire in the matter in dispute between [here state the names of complainant and defendant], do hereby adjudge and determine[1] that [here set forth the determination].

(Signed) A B.
C D.

This . . day of . . . , 18 . .

[1] *Note e. g.*— That A B left his employment without due notice, and that A B shall pay to C D the sum of . . . for his breach of contract; or that C D dismissed A B without due notice, and that C D shall pay to A B the sum of . . . for his breach of contract.

Analysis of the Applicable Sections of the Arbitration Act, 1824.
(5 George IV., c. 96.)

§ 9. Attendance of witnesses by a justice of the peace by summons or commitment.

§ 23. Acknowledgment of fulfilment of award by the person in whose behalf it is made.

§ 24–30. Performance of award may be enforced by distress or imprisonment.

§ 31. Costs and expense to be settled by the arbitrators.

§ 32. Exemption from stamp duty.

§ 30–34. Protection of arbitrators, etc., from actions.

PART II.

INDUSTRIAL CONCILIATION AND ARBITRATION IN MASSACHUSETTS.

THE facts contained in this part were collected by Mr. John Carruthers, an agent of this Bureau in 1876, and are reproduced from our Eighth Annual Report.

At the time of making the investigation in 1876–77, no real arbitration had been accomplished in this State; nor has any board been established since that time, in any industry, so far as we have been able to learn. A few attempts to secure settlements of difficulties have been made, notably one in Fall River in 1878. Before proceeding to inaugurate a strike, the spinners proposed to submit the matter in dispute to a board of arbitration; but their proposition was summarily rejected by the manufacturers, who, however, gave their reasons for such rejection.[1]

The following account of the efforts which have been made towards the amicable settlement of some of the labor disputes which have arisen in the boot and shoe industry at Lynn, in this Commonwealth, is interesting and profitable, inasmuch as it shows some of the obstacles encountered in attempts to introduce a system of arbitration.

In the collection of facts relating to the subject of arbitration in Lynn between the shoe manufacturers and their workmen, one of the chief difficulties has been, that scarcely any record of their doings has been kept by either party. Indeed, most of the agreements between employers and their employés seem to have been verbal; and, though in some cases written compacts have been made and signed by both parties, but few have been preserved, and these only show the results reached.

Many of the shoe manufacturers can recollect, in a general way, that at various times they have had disputes and difficulties about prices with their workmen; but as to the questions involved, or how finally settled, they have now very vague im-

[1] See Eleventh Report of Bureau of Statistics, p. 54.

pressions. Therefore the statements herein made are fragmentary, being gathered by repeated personal interviews with such manufacturers and workmen as, from their position, were prominent and active participants in the various troubles that have arisen during the last seven or eight years in that city. It is pleasant to be able to say, that, in making the necessary inquiries, only the most courteous treatment has been received from those appealed to for information; there is also every reason to believe that the statements made have been truthful and correct, according to the best recollections of the persons questioned. As any account of arbitration in Lynn must necessarily be on one side a part of the history of the Order of St. Crispin, some facts with regard to that organization and its methods seem indispensable to a proper presentation of the subject, and required at the very outset.

Some time in the year 1864, Newell Daniels, then living in the town of Milford, Mass., conceived the idea of organizing the shoemakers of that place on the plan of not allowing any one to teach the trade to new hands without first obtaining the consent of the organization. He went so far as to draught a constitution, and, with Stephen Onion and Elba Underwood, took some steps toward forming a boot-treers' society upon that plan. Before the preliminary arrangements were completed, however, Mr. Daniels left Massachusetts, settled in the West, and for the time being the matter dropped.

About two years afterwards, Mr. Daniels, with some others, succeeded in organizing in the city of Milwaukee, Wis., a society of shoemakers, comprising all who had worked at any branch of the shoe trade for the space of one year, with the restriction that no member should teach his trade to any one unless by consent of the organization. The constitution written by Mr. Daniels was adopted; and a committee, consisting of W. C. Haynes, F. W. Wallace, and Henry Palmer, prepared a secret ritual, which at the next meeting was adopted by the organization. F. W. Wallace gave the new society its name,— The Knights of St. Crispin.

They soon afterwards engaged a hall as a place of meeting, and on the 1st of March, 1867, in the city of Milwaukee, established the first lodge of the order. Very shortly thereafter the German Custom Shoemakers' Union of that city adopted the plan and principles of the order, and founded a second lodge. Both

lodges increased very rapidly in numbers and influence, and soon commenced active exertions to introduce the order in the Eastern States, and, finally, to form a national organization.

Circulars setting forth the plan and principles of the order were prepared, and sent to all parts of the country where it was known that shoes were manufactured. By these means Crispinism was introduced into Eastern Massachusetts, where it spread with great rapidity through all the shoe towns.

On the 3d of March, 1868, the first lodge was formed in Lynn, — Unity Lodge, No. 32, — and in less than a year two others were added, the three having a membership of about five thousand. On the 23d of April, 1869, a general convention of the order was held in Worcester, and a preamble and constitution for the International Grand Lodge adopted.

The effects of the revolution, through which, as is well known, the entire shoe business was at that time gradually passing, were nowhere more felt than in Lynn. The complete and final change of methods brought about by the introduction of steam power and labor-saving machinery, and the consequent subdivision of labor whereby production was greatly increased, and cost reduced, the employment of unskilled labor being allowed to an extent before impracticable, were of course disastrous to small manufacturers, whose business now began to be absorbed in larger firms.

The small-shop system was mostly abandoned, and the large-factory system adopted in its place. The Lynn shoemaker, hitherto more or less independent in the management of his business, began to sink into the mere operative; and in place of making a shoe throughout, as formerly, was obliged to work continuously and monotonously at one or another of the thirty or forty branches into which the industry, under the new system, was divided. He thus became a cutter, a laster, a heeler, a beater-out, etc., or was sent to run a McKay sewing machine, a skiving machine, a pegging machine, etc., in many of which labors the skilled shoemaker found that the knowledge and experience gained by years of practice gave him little advantage over the green hand.

The natural result of this state of things was to give to the large manufacturers, who could command the necessary capital, a manifest advantage over those of smaller means, who were still struggling along in the business. This is, no doubt, one of

the reasons why the small manufacturers looked with more or less favor on the combinations of workingmen, and in particular on their efforts, by means of the Crispin organization, to keep up the rate of wages; for there is every reason to believe that these employers sympathized to some extent with the workingmen, and that it was owing largely to their friendly support and encouragement that the Crispin organization attained to such power and wielded so much influence during the years 1868 and 1869. It was a power they might have continued to retain, to a great extent, had the wise counsels of some of their members prevailed in the lodge-room, and certain provisions of the constitution been altered or repealed; as it is now generally conceded, even by members of the order, that at that time some of their rules were arbitrary, and unjustly interfered with the rights of employers.

In the constitution for subordinate lodges which was adopted by the International Grand Lodge, April 23, 1869, and which was binding on the order everywhere, were some provisions which bore injuriously upon the rights of manufacturers, or, at all events, left their interests subject to the caprice of temporary majorities in the lodge-room.

The following is from a printed copy: —

"ARTICLE X. — NEW HELP.

"No member of this order shall teach, or aid in teaching, any part or parts of boot or shoe making, unless this lodge shall give permission by a three-fourths vote of those present and voting thereon, when such permission is first asked: *provided*, this article shall not be so construed as to prevent a father from teaching his own son; *provided*, also, that this article shall not be so construed as to hinder any member of this organization from learning any or all parts of the trade."

The following extract is taken from the constitution of the International Grand Lodge, adopted in Worcester, April, 1869: —

"ARTICLE XIV. — GRIEVANCES.

"SECTION 1. Grievances shall consist of, *first*, being discharged for refusing to teach new help; *second*, being discharged for belonging to the Crispin organization; *third*, being discharged for being conspicuous in organizing new lodges of this order, or advocating its principles.

"SECT. 2. Whenever a grievance is supposed to exist in any lodge of this organization, notice shall be sent by the said lodge to the two nearest lodges of the order, whose duty it shall be, when notification is received, to

appoint one delegate from each lodge, which delegates shall, in connection with one appointed from the lodge complaining, form an investigating committee.

"SECT. 3. It shall be the duty of said committee to listen to the evidence on both sides of the case, and endeavor to arrange the matter in dispute. If said matter cannot be arranged satisfactorily, it shall be referred to the State or Province Grand Lodge, which shall decide upon the matter, subject to appeal to the International Grand Lodge."

The committees appointed under Sect. 2 of the preceding article, copied from the International Grand Lodge constitution, were regarded by Crispins as arbitration committees. Members of these committees declare that, in the settlement of all grievances, they were always willing not only to listen to the employers' side of the question, but took special pains to get that side of the case, even when employers refused to treat with them or in any way recognize their authority.

The following extract, taken from the special laws, will serve to show how grievances were brought before the lodge: —

"ARTICLE I.

"SECTION 1. It shall be the duty of members of the order employed by the same firm to organize by the choice of one of their number as director.

"SECT. 2. Whenever any cause for trouble or grievance is supposed to exist in a shop between the employer and members of the order, it shall be the duty of the director to ascertain the facts of the same; when, if the matter cannot be adjusted satisfactorily to the parties interested, he shall, by majority vote of the workers on the part or parts in which the trouble occurs, refer the case to the lodge.

"ARTICLE II.

"SECTION 1. The director of each shop shall collect the dues of all members working in his shop, etc.

"SECT. 2. When a member working in a shop is six months in arrears for dues, the members in good standing shall demand that he become square on the books of his lodge, when, if he refuses, the director shall require of the foreman or employer the discharge of such delinquent: such request not being complied with, the director shall immediately refer the case to the lodge.

"ARTICLE III.

"SECTION 1. Every member taking a job in a new shop shall, upon entering, inquire for the director, and shall deliver up for inspection his paid-up card or director's receipt; and, any member evading or refusing to comply with the provisions of this special law, the director shall proceed as laid down in Art. II., Sect. 2, of these special laws. All directors and members of the order are hereby instructed and empowered to attend to the rigid enforcement of this article."

Many of the most intelligent Crispins state that they always believed some of these rules to be unjust and arbitrary, and that the order, by their enforcement, was attempting to deal with matters not within its proper province; that they had often urged their repeal, giving it as their opinion, in the course of discussion in the lodge-room, where these matters came up, that employers were only submissive to such restrictions to save themselves from loss, and were determined to free themselves on the first opportunity from restraints under which they were every day becoming more and more restive.

Manufacturers of the smaller class, as we have before remarked, express themselves, for the most part, as having been favorable to the order on its first establishment. They think it might have been made a means of protection to their interests, as well as those of the workmen. But they say that, in the latter part of the year 1868 and during a portion of 1869, when the organization had almost full sway, the Crispins became exacting, presumptuous, and insolent in their demands upon employers, often interfering with matters they did not understand, and which, at any rate, were not their concern; that, by the operation of the special laws, manufacturers were subject to loss and continual annoyance; that they could not discharge a man for any reason, but he was almost sure to make complaint to his lodge, calling it a grievance, and asking for a committee of arbitration; that there were many instances where they felt such committees had not treated manufacturers with even a shadow of justice; that it sometimes happened that an employer had reasons for his action, which he was not willing or even justified in unfolding to the committee; that, in all such cases, the committees were apt to be influenced by the most narrow views, and almost certain to decide against the employer; and that, even when the matter was fairly investigated and fairly reported to the lodge, it was always easy for a few demagogues or a small faction, by specious talk, to carry any vote they desired, sometimes ordering manufacturers to take men back into their employment whom they did not want, and sometimes to discharge men they needed and were anxious to keep, and who, on their part, were contented and willing to stay.

Manufacturers who are conducting a large business, and employ many hands, express themselves as having always been opposed to Crispinism, and indignant at its claims. They have

no objection to combinations of workingmen to keep up the rate of wages, in any fair and legitimate way; but, they say, "These men assumed to control our whole business. We claim the right to employ any who are willing to work for us, for as long as we please, and to discharge them when we please, without giving outsiders any reason." They further say that no disputes were ever properly settled by arbitration in the lodge-room or elsewhere; that, in any disagreement with their own workmen, they felt that matters could have been much more easily arranged in the shop than by men outside, who could have little knowledge of the points at issue, and, perhaps, no regard for the various interests involved; that Crispin rule had been of great injury to the shoe business in Lynn; that, under its influence, the workman had given up his independence; he had ceased to make his own bargains, and might at any time be obliged to leave a profitable situation at the dictation of his lodge, and without respect to his interest or inclination; that, under the operation of Crispin interference, manufacturers had been afraid to make contracts or take heavy orders for goods, having no certainty that they could control their own business, and that, in consequence, many of the orders of 1869, which would otherwise have been filled in Lynn, were taken elsewhere; that at that time some of the large firms began to establish shoe-shops in other places. Factories were opened in Pittsfield, N. H., where the proprietors felt themselves safe from the effects of Crispin authority, and could command the advantages of cheap rents and cheap labor. In consequence, a large part of the work was done out of the city, which in other years had been retained there; for there was so much sharp competition among manufacturers, that each was on the watch continually to gain, if possible, any advantage over others: thus, though the workmen did receive more for their labor while at work, there was so much less work done in Lynn, that it is believed they really earned less money than they would have done had there been no organization. And they further state that during the year 1869, though there was no outbreak of a public nature, nor any mention of troubles by the press, yet the relations between the employers and the operatives were full of distrust and ill-feeling on both sides.

The records of the Crispin lodges seem to confirm the latter statement, as they show many cases of difficulty and trouble in

the shops about that time. A manufacturer, at that time one of the largest in Lynn, states that he had but little trouble with his workmen on any occasion, and that most of the difficulties in which he became involved arose from his taking part with other firms; that during the year 1869 he had much more respect for the Crispins than for the employers, as the former held together and stood firmly to their rules, arbitrary and unjust though, in his opinion, they were: whereas manufacturers were so jealous of each other, that they could unite in nothing, but, on the contrary, were continually seeking to overreach or undermine each other. Further, he says Crispinism did not affect his business much, as he only manufactured first class work, and always paid the very highest price for labor. But he was opposed to it from principle, and, if he could have had other employers see as he did, it could never have gained such power in Lynn, and might at any time have been broken up by united action.

The following statement embodies the views and opinions of many of the leading shoe manufacturers of Lynn, as gathered from time to time by personal interviews and conversations with them on this subject.

About the spring of 1870, many manufacturers, finding it impossible to prosecute their business with any certainty of success, under the vexatious, unjust, and arrogant demands of the Crispin organization, determined to endeavor by concert of action to find some means through which they might free themselves. In this they professed to be influenced not alone by motives of self-interest, but by a sincere regard for the best interests and welfare of their workmen. They saw very clearly that unless something was done, trade would leave the city, as no manufacturer felt safe in taking orders for goods, or entering into contracts with dealers in boots and shoes. While these matters were under consideration, and before any plans had been matured, one of the most prominent manufacturers in the city, without consultation, and almost entirely on his own responsibility, by means of one of his workmen got himself invited into a meeting of one of the Crispin lodges, and there and then made a speech, in which he commended their organization and its principles. Deploring the misunderstanding between employer and employé, he pledged his word, that, if they would appoint a committee of five of their number, he

would see that a like number of manufacturers were appointed to meet with them, and talk over matters in an amicable manner; so that, if possible, some agreement might be reached which would be mutually satisfactory. In taking this unauthorized step, this gentleman was regarded by the other manufacturers as having betrayed their cause. His action excited considerable indignation among them, and the committee of five who finally met with the Crispin committee to arrange a scale of prices were self-appointed; but being all of them prominent men in the business, and large employers, their influence was such as to very much strengthen and encourage the Crispin organization. The manufacturers felt that their interests had been betrayed, and their attempted union broken up: yet they were obliged, as the best they could do under the circumstances, to adopt generally the scale of prices which had been agreed upon by the so-called committees. They were, however, none the less restive under the arrogant and arbitrary demands of the Crispins, and indignant that any employer of labor should acknowledge the right of an employé to interfere with his business.

In justice to this gentleman, it should be stated, that he felt the steps taken by him at that time were for the best interests of all concerned. He states that he has always tried to treat his workmen as equals, and has never been intentionally oppressive. The principle of arbitration inaugurated by him at that time, he believes to be just, and that it might be made an effectual means of settling all disputes, if both parties could only be prevailed upon to carry it out in good faith. He regards some union of workingmen as necessary for the protection of their own interests, and such union is, in many other respects, likely to be more or less advantageous to them; and, though at that time there was much in the Crispin organization which he could by no means approve, it was his idea that it would have been better for the interests of the whole city if employers, by adopting a kind and forbearing policy towards the workingmen, could have established a better understanding of each other's interests; and when, by mutual consultation and mutual concessions, confidence and good feeling should have obtained, it would not have been difficult to change or abolish the most objectionable provision of the Crispin organization.

On the whole, this gentleman seems to entertain broad and

comprehensive views of the subject, looking rather to the permanent welfare of the whole community than to any individual interest. The ideas of the workingmen are various, but they may be summed up into three classes, as follows : —

The first class are those who do not believe in arbitration with employers, who have seen nothing but what is right in the most rigorous rules the Crispins ever adopted, and who would willingly have adopted those more stringent. The admission of a manufacturer into their lodge-room, as mentioned previously, was regarded by these members of the organization as a departure from the established principles of the Crispin order, and the acceptance of the doctrine of arbitration as a clear violation of its laws.

They argue that workingmen having their labor to sell ought to combine and fix among themselves what its price shall be; that, if workingmen would only so unite, good wages could be maintained with certainty, employers would be obliged to agree to their demands, and, as they would make their contracts for goods accordingly, it would be advantageous to the community as a whole. They say that arbitration between employer and employé always did and always will result to the advantage of the former and the disadvantage of the latter; and that, therefore, they regarded the establishment of such a principle in 1870 as a delusion and a snare : it was the entering wedge which first weakened and finally led to the complete overthrow of the Crispin organization.

A second class are of the opinion that a proper system of arbitration would do much to put an end to the disagreements between employers and operatives ; that if such a board could be permanently established, composed of representative men from both parties, clothed with powers and supported by the general consent of those interested, strikes might be rendered impossible, and the relations between employers and their workmen made mutually pleasant. But, they say, under existing circumstances, such a scheme is altogether impracticable.

Manufacturers generally are not sincere when they talk of justice to labor. It is their interest and object to get all the labor they can, for as little pay as possible ; and they will never give a cent more than they are obliged to. They do not generally believe in the right of workingmen to combine, but are continually arguing that the law of supply and demand regu-

lates the rate of wages, and that it is their right as employers to hire labor in a free market for as low a price as possible. They claim that while employers hold such views it is very evident they cannot be induced to treat with workingmen on equal terms under any form of organization.

They further say that, in their opinion, the arrangements made in 1870 were only agreed to because employers could not help themselves, and that they were sure to be violated whenever interest demanded.

The third class of workingmen, though perhaps not the most numerous, hold about the same sentiments as those expressed by the manufacturer previously quoted. They state that they have been always more than ready to welcome any overtures from the manufacturers looking toward arbitration in the settlement of disputes or difficulties, and have been ready on all occasions to do their utmost to bring about friendly relations between employers and the Crispin organization. They concede that some of the Crispin laws were illiberal and unjust, placing improper restrictions upon both parties, — restrictions which, from their very nature, could not be successfully maintained for any length of time. They specify in particular those laws relating to the hiring and discharge of help, against the enforcement of which they declare they often protested in the lodge-room, pronouncing interference in these matters one of the most fatal weaknesses of the Crispin order.

This class of men say they always have deplored strikes, and never gave consent to one, except as a last resort. When, therefore, arbitration was proposed by a leading manufacturer, the idea was hailed by them as a long step in the right direction, and they were ready to aid it by every means in their power. A mass meeting of the lodges was held; and, after some discussion, a committee of five was appointed to confer with a like number of manufacturers. On the 21st of July, 1870, these committees met in the Board of Trade rooms. There seems to have been no record kept of the transactions of this meeting; but members on the part of the Crispins state that it was any thing but harmonious, and that more than once open rupture seemed imminent. One manufacturer made a speech, in the course of which he said that if any one had told him twenty-four hours before, that he could have been persuaded to meet and treat with Crispins on any terms, he should have

felt insulted. Through the exertions of a few more temperate minds, however, a better spirit finally prevailed; and after much discussion, taking up two full days, a list of prices was agreed upon and adopted, to continue in force for one year. The two committees then exchanged congratulations. Speeches were made by some of the manufacturers, in which they commended the Crispin organization, and pledged themselves to rigidly adhere to the agreement made, and to use every proper means in their power to have it recognized and adopted in the trade throughout the city. After this united action, several strikes, which had previously been inaugurated, came at once to an end. The Crispins were jubilant, and considered they had gained a point in being recognized by employers as a body to be negotiated with on equal terms; and much confidence was expressed on all sides, that at length amicable relations had been permanently established between the manufacturers and workingmen of Lynn.

Notwithstanding the fault found with the doings of the self-appointed committee (so called), there is no doubt that for the time being, at all events, they were successful; and the list of prices agreed to by them was substantially that of the trade throughout the city for the next year.

It is charged, however, by members of the Crispins, that they could never again get that board of arbitration to meet with them; that, in the settlement of difficulties which now and then arose from various causes, in several of the shops, they received no aid or countenance from the employers; and that they had to assume the whole burden of enforcing the scale of prices, which, however, being printed, and headed, "List of prices agreed upon between the manufacturers and Knights of St. Crispin for one year from date," gave them a support in the arrangement of grievances they could not otherwise have had. Yet, still, it is evident that the Lynn shoe manufacturers generally considered that during this year there had been established some principle of arbitration to which they felt themselves, to a great extent at least, obliged to conform.

At the expiration of the time agreed upon, another committee of employers met with the Crispin committee of arbitration. They congratulated each other upon the success which had attended the fulfilment of the agreement just ended, the general peace and harmony which had prevailed, and the prosper-

ous condition of the city; after which, a scale of prices was agreed to and adopted for another year, which was subsequently printed and circulated through all the shoe shops in the city. It is worthy of notice, that during these two years, when a fixed rate for labor had been established by this joint committee, the shoe business prospered, and the active and material growth of Lynn was the subject of frequent and flattering comment, not only in the local press, but throughout the country.

The statements made regarding the condition of affairs during the year of the second compact between the manufacturers and the workmen, ending June 10, 1872, are in some respects conflicting. While there was no noticeable outbreak, those acquainted with the inside history of that time state that distrust and bitter feelings began to be engendered as early as the fall of 1871; that, though latent and smouldering, the fires of strife were then kindled which burst into flame the next summer, and thus brought about the disastrous strike of 1872. The records of the Crispin lodge show several complaints against manufacturers for cutting under the established prices, in less than three months from the date of agreement; and the lodge records for the latter part of 1871 and the first part of 1872 show continual difficulties of that nature brought into the lodge-room. The Crispins said, that, in their efforts to adjust these difficulties, they received neither sympathy nor aid from employers; that, though they repeatedly tried, they never could get a meeting with any board of arbitration on the part of employers; and that, finally, those manufacturers who had taken part in assisting to establish the scale of prices refused to be considered as belonging to a board of arbitration, were unwilling even to recognize the existence of any such board or principle, and absolutely declined to discuss the subjects which had been considered with so much harmony and good feeling when the compact was made.

On the other hand, it is conceded that bitter and vindictive feelings crept into the lodge-room, and at times controlled the counsels of Crispins. The more intelligent and reasonable among them lost much of their influence; and there were some instances where temporary majorities, in meetings of the order, made decisions very clearly unjust, and against the interests and rights of employers. It is also conceded that in many respects Crispinism lost much of its former power over its

members generally: they paid little regard to its rules, and were seemingly weary of the restraints imposed by the organization. It is said, however, that these troubles were but little known to the general public; that the Crispins, as an organization, adhered to the established price list, and still struggled to maintain it throughout the city.

Manufacturers, on the other hand, charge that Crispinism had become perfectly unbearable; that the Crispins, elated with success, and full of self-confidence, became every day more and more unreasonable in their demands; that they were continually trumping up fresh grievances, and insisting upon conditions, not only inconvenient to employers, and injurious to their interests, but tending, if carried out, to drive trade from the city, and ruin all concerned.

They further charge that certain of the Crispins had entered into secret contracts with some firms to work for less than the established prices, induced to do so by promise of steady work throughout the year; and that these very men were the loudest in insistance that the trade generally should conform to the established price list. A few declare that the Crispin organization was at this time entirely in the hands of demagogues, who only used the order for their own selfish purposes.

Some of the most intelligent and reliable men who, in 1872, were leading and prominent members of the order, state that shortly before the termination of the second compact it was evident to them that certain manufacturers were determined, if possible, to prevent any further agreements of that nature; and that in the spring of that year they united, with the resolute purpose of breaking up the Crispin organization.

They further say, that, while it must be admitted that there is some truth in the charges brought against the order, it is not the less true that employers never sincerely tried to make the best of it, but all along showed by their actions a spirit of opposition to it in any form; that, if the committee of arbitration on the part of employers had even partially done as they promised, there would have been no trouble, as the workingmen were always more than willing to leave any grievance, real or supposed, to be settled upon that plan; that, had employers generally shown such interest in the well-being of their employés as they all of them professed to feel, any of the unreasonable rules or laws of the Crispin order could and would have been modified or abolished.

They express respect for the position taken by some, who, from the very first, were the avowed and consistent opponents of the order, but were still too high-minded and honorable to take underhanded action against it.

But they allege that there were some employers so mean as to bribe certain of their men to divulge the secrets of the lodge-room, and to act the part of traitors to the order; that many of the wrongs, and much of the injustice, with which the order was charged, were instigated and brought about by these very men, acting under the instructions of their employers. They further point out, that the contentions about prices for labor have always been caused by a few of the manufacturers, who, with selfish greed, were struggling to gain advantage over their neighbors; that the difference of two or three cents per pair on the price of the finished shoe is a difference the consumer will never feel, but that it is a matter of serious importance to the workman. They claim that employers should consider this fact first of all, in making contracts for goods with dealers. They finally allege, that in the spring of 1872, when contracts with the dealers were made for the next season's work, there was such sharp competition among manufacturers; that they were taken at rates too low to afford the price for labor established by the board of arbitration; and that this, more than any other cause, led to the strike the next summer, and united employers to overthrow the Crispin organization.

About the middle of June, 1872, the following circular, signed by the Crispin committee, was sent to all the shoe-shops in the city: —

"*To the Boot and Shoe Manufacturers of Lynn.*

"GENTLEMEN, — We the undersigned, a committee appointed by the Knights of St. Crispin, in mass convention assembled, respectfully notify you that we are prepared to meet with a similar committee of the shoe manufacturers of Lynn, with a view to arranging a list of prices for the coming year. Please inform us, through our secretary, of your action, at as early a date as convenient."

To this communication no reply was ever received. About the beginning of July, some of the large firms intimated their intention of reducing the price for setting edges one-half of a cent per pair, claiming that having introduced edge setting machines the workmen could afford the reduction. This re-

duction they held necessary to enable them to compete with firms outside of the city.

The workmen replied that the edge setting machine did not in the least facilitate their labor; that manufacturers were paying contentedly the higher price with or without machines, and urged that the contracts were taken on that basis; they finally invited their employers to appoint a committee to fix a scale of prices, in consultation with the Crispins, as in the preceding years. To this the employers rejoined, that for the future they intended to manage their business without consultation with any one; the price offered was all they could or would pay, and the workmen must either take that, or leave. Of course this condition of things speedily became a subject of discussion in the Crispin lodges. They held mass meetings, some of which were full of intense excitement, and lasted all night. New members joined, and old members in arrears came flocking forward to pay their dues.

Resolutions were passed declaring their firm determination to adhere to the principles of the order. Finally committees were appointed to wait upon the manufacturers, and endeavor to bring about a settlement of the difficulties. Members of those committees state that when, in the performance of the duty assigned them, they approached the same parties by whom they had been so courteously received on previous occasions, and with whom they had arranged the scale of prices for the preceding year, they were met by contempt, and ordered to leave the premises; so that those who before had shown a most kindly feeling toward their society were then unwilling to recognize its existence.

These facts being reported to the lodges, a mass meeting was called, at which it was ordered that the men in such of the shops as were cutting under the established prices be requested to finish what work they had in hand, and then at once leave the shop. In accordance with this action, the hands in thirty-five shops stopped work; and it became evident that the relations of capital and labor in Lynn were to go through a serious crisis. At first, however, the other shops in the city kept steadily at work; some of the employers freely saying that they could see no particular reason for the reduction, and therefore they should continue to pay the old prices.

It is believed, that had this dispute about prices been the real

question at issue, and had it been left to be decided upon its merits, the Crispins would have gained their point. It very soon became evident, however, that this was only the first move, — a mere outpost in the battle, — the real object of which was to be the utter and complete overthrow of the Crispin organization in Lynn. For, with this object openly avowed, the manufacturers commence to organize, funds were raised, and agents sent to the several employers to enlist their aid and sympathy in the movement.

The following is an extract from "The Lynn Reporter," August 10, 1872: —

"On the 2d of August, a meeting of the shoe manufacturers was held, at which were present about fifty of those most prominent in the business. At this meeting, the opinion was generally expressed, that the state of things as had for some time past existed in Lynn could not continue without serious injury to the business of the city. It was stated that some of the manufacturers had already established flourishing factories in distant towns, where labor was untrammelled and consequently cheaper than in Lynn, and that others were making arrangements for an early removal. It seemed to be the unanimous feeling, that something should be done to check this emigration of business, and the first step towards that end must be in each manufacturer maintaining the same control of his business, especially in regard to the payment of wages, that is enjoyed by the manufacturers in other places, thus enabling the Lynn manufacturers to successfully compete with those in other places. . . . It was then unanimously resolved, 'That it is for the best interests of the city of Lynn, that every manufacturer manage his own business irrespective of any organization.'"

After the passage of this resolution condemning organizations of workingmen, the manufacturers proceeded to organize under the following agreement: —

"We the undersigned, manufacturers of the city of Lynn, hereby agree that on and after Saturday, August 10, 1872, we will employ no person subject to, or under the control of, any organization claiming the power to interfere with any contract between employer and employé."

A committee was appointed to circulate the above through the city, and it was subsequently printed with fifty names appended.

At a subsequent meeting of manufacturers, held in Music Hall, August 8, it was unanimously —

"*Resolved*, That we notify our workmen that after Saturday, August 10, we will give no new work to any person subject to, or under the control of,

any organization claiming the power to interfere with any contract between employer and employé."

The result of this action was that more than two thousand workmen gave up their situations, rather than leave the Crispin organization.

At a mass meeting of the Crispins, held soon after, the following preamble and resolutions were adopted: —

"*Whereas*, There is a disposition on the part of certain manufacturers in the city of Lynn to dictate unjust, illiberal, and — to use a mild phrase — tyrannical terms, to those in their employ; and

"*Whereas*, Our acceptance of such terms could only be made by a complete sacrifice of self-respect and personal independence: therefore, be it

"*Resolved*, By the Crispins of Lynn, in mass meeting assembled, That, while we recognize the right of manufacturers to offer such terms as justice and regard for their own interests may require, we also assert and maintain, at every cost and every hazard, our right to belong to, and participate in, any organization, social, industrial, religious, political or beneficiary, which in our judgment is wise and proper; and any attempt on the part of any one to abridge or obstruct such right is a vile and indefensible interference with personal liberty."

Thus the Crispins joined issue in a struggle which they felt was to be for the life of their organization; and they clearly saw that the manufacturers were bound together as they never had been previously. The employés in a certain shop were all Crispins; there had been no trouble there, as Crispin prices were paid; but this firm had signed the agreement of the manufacturers not to employ Crispins after August 10, and on that day the senior partner called his men together, and told them they must either abandon the Crispin organization, or cease to be employed by him. "You can go," he said, "or you can remain. I do not ask you to work at any reduction of wages, for I am ready to pay the very highest prices; but, if you remain, you must cease to be Crispins, for no member of that order shall occupy a bench here after to-day." They were given a day to think of it; but in fifteen minutes they reported, that, rather than submit to such unjust and arbitrary interference with their personal liberty and rights as freemen, they would leave; and they therefore all left at once.

In another shop, the following letter was read to the workmen by one of the firm, in connection with the agreement signed by them: —

"In submitting the proposition herewith placed before our employés, we desire to state the following facts: —

"First, That in assuming the position taken in the accompanying resolution, manufacturers of the city of Lynn, representing at least three-fourths of the shoe manufacturing business of this city, have acted from a conviction, reached after the most careful and deliberate thought, that upon no other basis can this business be successfully prosecuted.

"Second, That, in taking this position as a body, we have fully counted the cost, and feel that we are united, as never before, in solemn agreement to abide the result of this action, at whatever sacrifice to our business and to our capital.

"Third, That the question of wages has in no manner entered into our counsels, but that this question is left open to the unembarrassed action of employer and employé.

"Fourth, That we, as a firm, have had, and still have, no desire to change our prices for work during the present season.

"Fifth, That it is the earnest desire of this firm to conduct its business in such a manner that the annual earnings of our employés may reach the largest possible amount; and we submit the fact that our books show that this result was much more fully attained during the years when we were left free to arrange prices with our workmen to our mutual satisfaction, than it has been during the two years just passed, when subject to outside dictation.

"Sixth, That while this firm will in no case recede from the position now taken, whether supported by others or not, we would express the sincere desire that, whatever may be the issue in the question now before us, no action will be taken upon either side in a spirit which will tend to destroy the feelings of friendship and respect which we believe now mutually prevail between us.

(Signed) —— ——

"Lynn, Aug. 9, 1872."

The alternative of withdrawing from the Knights of St. Crispin, or giving up their situations, being thus placed before the workmen, they one and all preferred the latter, and left the shop. These examples were quickly followed in other shops; very soon the city swarmed with idlers, and the Crispin committees found a most difficult task upon their hands. By Art. V. of the general laws, every one of these unemployed men was entitled to draw from the funds of the order: for a single man, six dollars per week; for a man with a family, six for himself, two for a wife or mother dependent upon him, and one for each child under twelve years of age. As no ordinary treasury could long endure such a drain upon its resources, the Crispins soon began to realize that the situation was grave in the extreme, and that their prospects of success were every day becoming more and more doubtful. Notwithstanding the great

excitement, and though various rumors were daily floating through the city, it was never alleged that any sort of coercion was threatened against those of the trade who did not belong to the order. Indeed, it was the subject of much comment, in newspapers which in other respects did them less than justice, that the workingmen were worthy of praise for the quiet and peaceable manner in which they conducted themselves throughout the whole of the troubles.

August 17, the Crispin committee of arbitration held an all-night session, during which the situation was discussed in all its aspects; and the result of their deliberations was a determination to make an attempt to effect a reconciliation. A committee was appointed, which, the next Monday forenoon, waited upon many of the leading manufacturers who had signed the agreement of August 8, and made to them the following proposition, upon the adoption of which the committee guaranteed that the men would return to their work: *Firstly*, That the question be not raised by the employers, whether or not the men belonged to the Crispin organization, which order should continue to exist as heretofore. And, *secondly*, that the list of prices be abolished, and that each firm make its own contracts, and arrange its own prices with its own workmen, irrespective of any other firm, and without interference by the Crispin organization. It was confidently expected that this action would impress the manufacturers favorably, and that they would consent upon these terms to resume business.

But, when waited upon by the above-mentioned committee, they one and all refused to receive any proposition from Crispins, taking the ground, that, having agreed to give no employment for the future to any men subject to the control of such organization, they felt bound not to acknowledge its existence.

At a mass meeting of the Crispins, held next forenoon, the board of arbitration reported the failure of their efforts at reconciliation; and when it became known that the ultimatum of the manufacturers was an entire and final renunciation of Crispinism on the part of the workmen before any proposition of settlement would be entertained, there was considerable excitement; speeches were made, and resolutions passed by a unanimous vote, and amidst much enthusiasm, pledging unwavering fidelity to the order. Notwithstanding this last display of spirit, it soon became evident that the Crispin organization was fast

becoming weaker; that its power of resistance was gone, and its unity broken up.

Manufacturers commenced work with what help they could get, either in Lynn or in other places. Some firms sent their stock to Portland, Newburyport, and other towns, to be made up; other firms set men to work under what they called a special agreement, — which was, that, though they belonged to the Crispin organization, there was an express understanding that this fact should have nothing to do with any of their relations to their employers. The board of arbitration having remonstrated against such arrangements as a violation of the rules of the Crispin order, the workmen in one case published a card in the newspapers to the effect that they were not at work under the force of the manufacturers' resolution, but that they still regarded themselves subject to the orders of the Knights of St. Crispin. For this action, these men were at once discharged from their employment, and ordered to leave the establishment. They soon afterwards, however, published another card, retracting their former statement, and were again set to work in their old places.

By this time, the Crispin board of arbitration began to feel itself powerless: the treasury was exhausted; two thousand members of the order were without employment and mostly without means of living. Manufacturers were offering work and the highest prices to all who would consent to renounce fealty to the Knights of St. Crispin. It is not surprising, therefore, that one shop's crew after another met together, and, coming to the conclusion that any further struggle was hopeless, voted to go to work, on the best terms they could get. By the 24th of August the strike was virtually at an end; and, though lodge meetings were still held by an indomitable few, the Crispin organization, in spite of their efforts, finally fell entirely to pieces in Lynn. About the beginning of 1873 the last charter was surrendered to the International Grand Lodge. During the next two years there was, as is well known, a general depression in all kinds of business; and the shoe trade came in for its share. There was little demand for goods, the sales being chiefly of the cheaper grades. Manufacturers were in sharp competition with each other for orders, and workingmen without organization and at their mercy. Prices for labor in nearly all departments of the business went down until, it is

said, a good workman, laboring hard ten or twelve hours a day, could not earn more than eight or nine dollars a week. To understand the full force of this statement, it is necessary to remember that at the best of times the busy seasons are brief, and that there are always many months in the year when there is but little chance of employment.

Manufacturers themselves admitted that the prices for labor were too low, and confessed that they could not understand how men with families to support managed to do so, even when they had constant work. Some of them even began to admit that the Crispin organization, with all its faults, contained some good features, and that some association of workingmen was necessary, not only for their own protection, but for certain advantages to employers.

With considerable countenance and aid, therefore, from some of the manufacturers, the workingmen again organized, under the name of the Shoemakers' League. One of the main features of this organization was the establishment of a board of arbitration. This was about the beginning of 1875, and, though they held meetings more or less regularly, there is no evidence that they ever exercised much influence; and as the members hardly numbered three hundred at the most, the League could never claim properly to represent the general interests of the Lynn workingmen. Therefore, after about an eleven-months struggle to maintain an existence, on the seventh day of December, 1875, by unanimous vote, the League dissolved, and the members organized as Unity Lodge, K. O. S. C., adopting the ritual of the order, and receiving from the International Grand Lodge the charter which was surrendered in 1873. Unity Lodge numbered, in 1876, nearly three thousand members, and after its organization sent delegates into twenty-eight towns, and instituted thirty-one new lodges, as follows: —

West Boylston, Milford, Haverhill, Marblehead, Worcester, Spencer, Stoneham, Hopkinton, Medway Village, West Medway, Rockland, Stoughton, Randolph, Methuen, Newburyport, Millbury, Beverly, Salem, Marlborough, Natick, Cochituate, Quincy, Weymouth, Tapleyville, Holbrook, Webster, Brockton, and North Brookfield, in Massachusetts; and Pittsfield in New Hampshire. All these continued, for a time, in a prosperous condition. The most objectionable features of the old order were done away with. No claim was made to any right of

interference with employers in the hiring and discharge of help, nor in the teaching of new help any part or parts of the trade. No strike could be ordered, sustained, or allowed, except by vote of the board of arbitration, and the unanimous consent of the shop's crew where such strike took place.

The board of arbitration was composed of eleven members, each from a different branch of labor, as follows: a cutter, stock fitter, laster, McKay stitcher, beater-out, trimmer and edge setter, hand nailer and shaver, Tapley heel burnisher, McKay nailer and shaver, bottom finisher, channeller.

They were elected to office for a year, and chosen not alone for their integrity and general intelligence, but also because they were regarded as superior workmen, each being an expert in his branch of the business.

To this board were committed all the active powers of the lodge. The following is an extract from the by-laws: —

"ARTICLE X. — ARBITRATION.

"SECT. 2. At the first meeting of the board, they shall organize, by electing a president, secretary, and treasurer. It shall be the duty of the president to convene the board, on the written application of any five members of the lodge working in a shop, or on application of a manufacturer who has cause to think he is aggrieved. The secretary shall keep a true and correct record of the proceedings of all meetings of the board, and of all subjects referred to them for decision, and shall report the doings of the board to the lodge, at the first meeting in every month.

"SECT. 4. The board shall have power to settle all difficulties that may arise between any member or members of the lodge and their employers, by arbitration; and it shall be the duty of the board, when such case has been referred to them, to carefully examine all the circumstances connected with it, and endeavor to effect a settlement by arbitration, before giving their consent to a strike. It will not be the duty of the board to give aid or encouragement to a strike begun without their consent, by any members of the order.

"SECT. 5. When any matter has been referred to the board for arbitration, it shall be their duty to appoint a committee from the board, who shall meet a committee appointed by the employer.

"If the committees agree upon any plan of settlement, any decision they may make shall be final. An appeal may be made to the lodge from all decisions made by the board, except in cases referred to them for arbitration. This section shall never be repealed.

"SECT. 6. The board shall meet once in two weeks, or oftener if necessary, and shall require at all times a majority of its members to transact business.

"SECT. 7. The board shall have power to call a special meeting of the lodge at any time they may deem it necessary."

In the thirteen months immediately succeeding its organization, this board settled about one hundred cases of difficulty in different shops, most of them amicably and without much trouble. Nearly all of them arose from attempts on the part of employers to cut under what was considered a fair price; and as the chief object of the board was to establish and maintain, as nearly as possible, a uniform price for labor in all branches and grades of work in shoemaking, many of the manufacturers looked upon the plan with favor, and they extended to it a certain moral support, though they appointed no committee to act in conjunction with the Crispin board. Still the smaller employers especially regarded its establishment as useful and efficient in preventing ruinous competition in the business.

The following cases illustrate sufficiently the various work of the board: —

A reduction in the prices paid for trimming and edge setting was proposed by a certain firm. This was resisted by the workmen, who made complaint to the board of arbitration. It was claimed by the firm, in reply to questions put by the committee, that they had at considerable expense introduced edge setting machines, which materially lessened the labor, and their use would enable the men to earn as much pay notwithstanding the proposed reduction of price. On the other hand, it was stated by the men, that the machines were of little or no service in the way of saving labor or facilitating the work.

After a full investigation, the board arranged the prices for work with edge setting machines in this shop, as follows: $1.65 for first, $1.50 for second, and $1.25 for third quality. This arrangement, which was satisfactory to both parties, was considered to be a settlement of the difficulty without a reduction.

Complaint was made to the board that certain channellers had been discharged from a shop for the reason that they had been active in inducing what is termed a boss channeller — that is, one who underlets part of the work taken out by him — to give up that position. On the report of a committee appointed to investigate, the board were of opinion that the men had been discharged without reasonable cause; and they therefore informed the manufacturer that no Crispins would be allowed to take their places. The result was, that the men who had been discharged were re-instated.

In another shop a general reduction of prices was proposed,

which being resisted by the men, the subject came before the board, who appointed a committee to wait upon the employers, directing the men in the mean time to continue work as usual. After due investigation the board sustained the men in their resistance. The firm retreated from their position, and continued to pay former prices.

The channellers in another shop complained to the board that they were receiving less for their work than established rates, and that they had requested an advance, which was refused. A committee from the board waited upon the proprietor, found the facts to be as stated, and finally induced him to concede the demand of his workmen.

A certain firm proposed to reduce the prices paid for trimming, edge setting, nailing, and shaving. The reduction was resisted by the men, and two of those most prominent in opposition were discharged. The board of arbitration sustained the operatives, and, after several meetings with their employers, finally induced them to continue to pay old prices, and also to re-instate the men who had been dicharged.

Another firm proposed to make a general reduction on certain kinds of work, and the matter came before the board for adjudication. After considerable discussion the board prepared a list of prices for the shop, which the firm consented to adopt for the season.

A shoemaker complained to the board that he had been discharged from his shop without valid reason. The committee of investigation reported that he was discharged for making an assault on the foreman of the shop. The action of the proprietor was sustained by the board, and the complaint dismissed.

A difficulty arose in a shop with regard to the price to be paid for machine lasting. On investigating this case the board held that lasting machines were of no advantage to the operator, there being no saving of time or labor by their use; that therefore the prices should be fixed at the same rates as were paid for hand lasting. This was finally agreed to by the proprietor, who also, at the suggestion of the board, consented to employ his hand lasters to work such lasting machines as he should decide to use.

In the same shop, a McKay machine operator, who had been discharged for seeking an advance of price, was re-instated in his position by the exertions of the board, and the advance secured to him.

The lasters, trimmers, edge setters, and buffers in a shop, believing that they were working for lower prices than were paid elsewhere for similar work, demanded an advance. On investigation the board sustained them in their demand, and eventually succeeded in securing for them the prices paid in other shops for the same grade of work.

A certain firm had a shop in Lynn, and also one in another State. The hands in the latter struck work when a reduction of prices was proposed to them; and complaint was subsequently made to the board of arbitration in Lynn, that the firm was having certain parts of its work done in their Lynn shop, and afterwards sent to their shop out of the State to be completed. The board, on investigating the case, came to the conclusion that it was beyond their province to interfere with prices paid in other places, but determined to insist that all work done in Lynn should be paid for at the established rates. The firm finally closed the shop in which the difficulty arose, and now manufacture all their goods in Lynn, and pay the established prices.

Complaint was made by a man, on account of his discharge from a shop, another man being put in his place. In this case the complaint was dismissed, as it was found, on investigation, that the proprietor had good ground for his action.

The men in a certain shop complained that a reduction had been made in their pay. The board succeeded in settling the case amicably by securing an advance on some kinds of work, and allowing a reduction on others.

In another case the men in one of the departments of a shop demanded an advance, which the proprietor refused to pay; finally the men struck work, and left the shop in a body. This action coming to the knowledge of the board of arbitration, they informed the operatives that unless they resumed work at once, their places would be filled by others, as it was a flagrant violation of the laws of the order, for any shop's crew to inaugurate a strike without authority from the board of arbitration. In accordance with these instructions, the men quietly returned to their places, and no further complaint was made.

The three-handed teams in another shop demanded an advance. The proprietor appeared before the board, and explained his position, stating his entire willingness to pay regular prices. Subsequently, in consultation with a committee from the board,

an advance for some parts of the work was made, and the trouble was amicably settled.

In another shop, the lasters demanded an advance. The matter was referred to the board, who sustained the men in their demand; and the firm finally agreed to it.

In another case the board sustained the lasters in resisting a proposed reduction, and the firm yielded, and continued to pay regular prices.

The McKay stitchers in a certain shop complained of a proposed reduction of their pay on a certain grade of work. The board investigated, and concluded that the men should be sustained. This decision being reported to the proprietor, he receded from his position, and continued to pay the former price.

A man complained to the board that he had been discharged from employment on account of his connection with the order of St. Crispin. The case was investigated and dismissed, it being found that his late employer had other and sufficient reasons for his action.

The McKay nailers in a certain shop demanded an advance of price, which the proprietor refused to pay. On the case being investigated by the board, the latter was sustained, and the men ordered to continue work at the same rates.

Two firms complained to the board that they had reason to believe they were paying higher prices for some branches of work than was paid by a certain other manufacturer, and requested the board to investigate. The board appointed a committee to ascertain the facts; finding these to be as stated, they reported accordingly. A new list of prices was then drawn up; and the board of arbitration, in consultation with the three firms mentioned, settled the difficulty harmoniously by adopting a scale of prices as nearly as possible in accordance with that paid in other shops for similar work.

Complaint was made to the board by a manufacturer that he had reason to believe that the men in a certain shop were working at reduced prices, and the board was desired to inquire into the case. A committee from the board, accordingly, waited upon the proprietor of the shop mentioned; they subsequently reported the facts to be as alleged, and that the said proprietor stated to them, in justification, that he was manufacturing goods in advance of orders, and could not afford to pay full prices under such circumstances; moreover, that the men working for

him otherwise would be without employment. The board held that the general welfare was paramount to any individual interests; that, if a reduction in prices were to be allowed under the plea that goods were being manufactured in advance of the market, it would establish a bad precedent. They therefore informed the manufacturer in question that, as others of his class depended upon the board of arbitration to maintain an established scale of prices, he must either consent to pay regular rates, or the board would order the men to leave his shop. The result was that he gave up making goods in advance of orders, and a number of his hands were discharged.

In another shop the proprietor informed his men that he intended to make a general reduction of prices on all parts and grades of work, and that for the future he proposed to make his own bargains with his men without the interference of the board of arbitration or any other outside parties. This action was opposed by the workmen, and complaint was made to the board of arbitration. A committee from the board waited upon the manufacturer, but they utterly failed to move him from his position. The board, after several meetings and various efforts to compromise the difficulty, finally gave the men leave to strike when they had finished such work as they had in hand. Accordingly, each man, as he finished his job, took his tools, and left the shop. Considerable ill-feeling was engendered in this case. Placards from the manufacturer were posted throughout the city, calling for workmen, to whom the highest prices were promised. Immediately under these might be seen a card from the board of arbitration notifying all shoemakers that the hands of this manufacturer were out on strike to resist a reduction of pay, and warning all Crispins to keep away from the shop. This condition of things continued about two weeks, when the board of arbitration effected a compromise by allowing a reduction for some parts of the work, and securing an advance on others. The men then returned to their work.

A manufacturer gave notice that he intended to make a cheap grade of shoes. The board sent a list of prices to him for such shoes as he proposed to make. He was informed, however, that he would be expected to allow the old prices for his other work. He adopted the list, and agreed to the conditions demanded by the board.

The cases which we have given sufficiently exemplify the

work the board had to do. They illustrate most of the difficulties which they were called upon to arbitrate. For several months the duties of the board were almost continuous and very often arduous and difficult, involving the exercise of considerable prudence and patience. Meetings were held as often as required; generally at least twice a week. For attending evening meetings the members received no compensation; but when they were obliged to spend time during working hours, they were allowed thirty cents per hour for the time actually spent in the performance of their duties.

The efforts at arbitration and conciliation were not permanently successful: not the less, however, did the work accomplished by the board show the value of the principle; nor is it easy to estimate the extent of its services in allaying ill-feeling and preventing strife. It would be absurd to suppose that any body of men could discharge such duties as that of the board of arbitration, and escape criticism. However, the moderation, firmness, and fairness which the members of this board brought to bear upon the various cases referred to them for adjudication, prevented many strikes, and secured for their decisions the respect and confidence of their fellow workmen, and, to a great extent, also that of the manufacturers.

Part III.

INDUSTRIAL CONCILIATION AND ARBITRATION IN OTHER STATES.

The legislature of 1880 passed the following resolve, chapter 48, relative to Industrial Arbitration and Conciliation: —

Resolved, That the Bureau of Statistics of Labor is hereby directed to make a full investigation as to the practical working of the principles of industrial conciliation and arbitration, and to consider what legislation, if any, is necessary to enable employers and employés in this State to secure the benefit of such principles, and to report the results to the next legislature. [*Approved April 13, 1880.*]

In taking the preliminary steps to make the investigation ordered by the legislature, we found that Mr. Joseph D. Weeks, whose account of conciliation and arbitration in England we have given in Part I., had already collected the very data we were in search of, but which had not been used by him. We were very fortunate in making arrangements with Mr. Weeks, to give the public the use of the very full data in his hands, through a report to this office which we now reproduce.

This report presents the history of those wonderful labor struggles in the great iron and coal producing States, inaugurated perhaps for selfish ends, but which, in time, will result in the adjustment of difficulties on the basis of justice and equity. Beside these struggles, an account is given of a most interesting experience among cigar makers in New York City.

Mr. Weeks's report is most heartily commended to the careful consideration of the manufacturers and employés of this State. From it we shall find that there are methods which can be applied in the settlement of industrial disputes; these we shall endeavor to point out at the close of this Part.

Mr. Weeks's report is as follows: —

I have the honor to transmit herewith an account of such attempts at arbitration in disputes between employers and em-

ployed in this country, concerning which I have been able to gain any information. I have also included an account of the action of conference and conciliation committees in the iron trade at Pittsburgh, regarding this as a type.

It will be noticed that I have in most cases given some account of the condition of the trade at the time of the attempts at arbitration, as well as of the causes that led to such condition, believing that this was necessary to an understanding of the subject.

Boards or courts of arbitration and conciliation, for the settlement of certain or all disputes or differences between employers and employed, have existed generally in the industries of France and Belgium, since early in this century, and in England, in certain trades, for twenty years. The constitution and the methods of these boards, and the success that has attended them, can be learned in detail from the report of the Massachusetts Bureau of Statistics of Labor for 1877, or from a report of an investigation, with their practical workings, made to the Governor of Pennsylvania in 1879, by the writer.[1] It is sufficient here to remark, that in France, in 1878, there were brought before these boards, the *Conseils des Prud'hommes*,— which are established at important trade centres, and which are quasi-judicial bodies with legal sanctions for their awards,— 35,046 cases, of which 25,834 were heard in private without a formal trial, and 71 per cent settled without a public hearing. Of the entire number of cases, 21,368 were relative to wages, 4,733 to dismissals, and 1,795 to matters relative to apprentices.

In England, where these boards are purely voluntary, without any legal existence or sanction to their decisions, their success in removing causes of difference between employer and employed, or in settling disputes should they arise, has been most marked in those trades in which the principle has been fairly tried. In the hosiery trade of Nottingham, in which a board has been in existence for twenty years, there has been no general strike since its organization. In the manufactured iron trade of the North of England, where the board has a history for ten years, it is also true that in that time there has been no general strike; though in both of these trades, prior to the establishment of these boards, strikes and other labor troubles were exceedingly frequent, and though, further, the nature of these

[1] See Part I. of this pamphlet.

trades is such as to render the settlement of questions of wages extremely difficult.

In this country formal arbitration and conciliation, in the sense that these words are understood in England, has a very meagre history. The cases are very few in which boards have been organized on a basis similar to the English boards, and formal arbitration attempted; and in only a single instance have these boards outlived the first attempt to settle a dispute or difference.

Preliminary to an account of these attempts, it is necessary to define arbitration and conciliation, not only for a clearer understanding of the subject, but to indicate the limitations of our inquiry into the history of arbitration and conciliation in this country.

Industrial arbitration is both the name of a principle, and the specific application of that principle. As a principle, arbitration is a method of settling disputes or differences between employers and employed, by a reference of the matters at issue to a board composed of representatives of each of the two parties to the question, the representatives of each being elected or appointed by the parties themselves; the board to have power to hear testimony and decide the question, or, in the event of a failure of the board to decide, with power to call in one or more parties, whose decision in the case shall be final, and binding on both parties represented in the board.

An application of this principle to a specific case would also be termed arbitration.

It will be noted, that this definition confines arbitration to those cases in which both parties to the dispute, or difference, or question, have an equal representation; not as advocates or counsel, but as members in the board, or committee, or court, by whatever name it is called, which decides the matter in question, this representation being appointed or elected by the party which it represents. This is the meaning of the word in England, where the practice of arbitration for twenty or more years has given a definition to the word that should be accepted as final. I am thus careful in defining arbitration, as the term has been applied to a practice in this country, which, however commendable it may be in itself, is not arbitration. This is the custom that exists in some of the labor organizations, of choosing a committee, composed entirely of the members of the

organization, that is termed an arbitration committee, before which, all or certain specified disputes between employers and employed are brought. In some cases the employer is allowed or asked to appear before this committee to state his case; and in others the committee visits the works, and examines both parties; but in either event the decision rests with a body composed of but one party to the dispute, and a body in whose formation the other party had no voice. Whatever such a principle may be called, it is not arbitration. It is, no doubt, a very commendable proceeding to endeavor to investigate fairly both sides of a dispute, rather than rush headlong into a strike; and there is no doubt but that in such cases the board or committee honestly endeavor to arrive at a just conclusion: but, notwithstanding this, the act and the decision are not those of a board of arbitration. In a word, it is as impossible for one party to a dispute to arbitrate, as it is for one man to fight a duel.[1]

Industrial conciliation differs widely from industrial arbitration, though the object of both is the same, — the prevention and settlement of disputes and differences between employers and employed. Conciliation is not formal; it does not sit in judgment. It does not necessarily imply a board or court, although the best results follow when the conciliation is systematic; under the influence, direction, and authority of a board. Conciliation may be the act of conference committees, formed for the purpose of settling a given dispute; but, however the result is reached, it is by the friendly offices of others, or by the parties agreeing between themselves without the intervention of an umpire or arbitrator with power to judge and decide. While there has been little or no conciliation in this country, such as exists in the trades of England, that is, systematic through the medium of permanent committees organized for the purpose of conciliation, there are certain forms of conciliation that have a history, that if it could be told would be the brightest and most hopeful chapter in the industrial history of our country. Unfortunately for the advance of mutual confidence and sympathy between the two parties to labor contests, these examples of conciliation, for the most part, never come to the knowledge of the world. They are worked out in the quiet of the counting-house and office, where employer and employed meet as equals, and

[1] An account of a very successful committee of the nature indicated will be found in Part II. of this pamphlet.

as man should meet man, and then and there in all kindliness and good feeling settle their differences before they become disputes. If the acts of these counting-rooms could become the rule of action in all our land, it would be a blessing to industry whose value could not be estimated.

There is, however, a form of conciliation that has been practised in centres where certain industries have gathered, of which we have the history. A committee representing the organized labor in these industries has met a similar committee representing the manufacturers in the same industry; and between them they have agreed upon future rates of wages, and settled other differences. This is notably the case in the iron industries at Pittsburgh. As the methods adopted in these industries may be taken as a type, a very full account of the procedure and results will obviate the necessity of further examples of this method of conciliation.

Conciliation in the Pittsburgh Iron Trade.

The city of Pittsburgh and its immediate neighborhood is at present, and has been for years, the chief centre of the heavy iron trade of the country. In no district in the world, with the possible exception of that about Middlesboro' in England, certainly in no district in this country, has the iron and steel industry grown with such rapidity during the last thirty years as at Pittsburgh. This rapid growth brought together a large body of trained and skilled workmen, chiefly from the iron working centres of England, Scotland, and Wales. Hon. Miles S. Humphreys, the present chief of the Bureau of Statistics of Pennsylvania, has given in his report for 1878–79 an admirable account of the attempts at conciliation in the iron rolling mill industry of this city, of which we make liberal use in this account. Mr. Humphreys can say, with Æneas, "that all of this he saw, and most of which he was," for he was for years a workman in the iron mills, and the founder and first president of the United Sons of Vulcan, the organization which represented the workmen in these conferences.

In sketching the history of the United Sons of Vulcan, and the conditions of the iron trade relative to labor that preceded and attended its organization, Mr. Humphreys states, —

"The first great strike occurred while the iron business was comparatively yet in its infancy, in 1849, when the manufacturers attempted and

finally succeeded in reducing puddling below six dollars per ton. This memorable strike commenced upon the 20th of December, 1849, and ended about the 1st of the following May, the puddlers resuming work at $4.50 per ton. While the manufacturers succeeded in effecting a reduction in the price of puddling, the result left the men greatly depressed, dissatisfied, and discontented, many scattering to new fields of operation throughout the West. The ten following years witnessed many petty strifes, as the men, at every available opportunity, would seek to redress some real or imaginary wrong, while manufacturers, in turn, when prices tended downward, would retaliate in an effort to save fleeting profits through a reduction of wages, as well as to alter the rules forced upon them in the times of high prices when they were powerless to resist. To such an extent did wages decline, that during 1857 and up to 1860, puddling ranged from $3.50 to $4 per ton, the lower price being paid in cash, while the higher was in part or in whole paid in store goods."

In April, 1858, a few of the men connected with the puddling department of the mills assembled, and organized a trades union under the name of the "United Sons of Vulcan."

The fact of the organization was kept a profound secret through fear of discharge, and at last operations were suspended until a more favorable opportunity. This came in 1860–61. The growth of the organization was slow at first; but it soon showed signs of vigorous life, and in 1863 its power began to be felt, and the union recognized. The great fluctuations of iron during the war led to repeated demands for increase in wages. Finally a general conference of representative men from each side, employer and employed, suggested itself, through whom wages were to be fixed, and difficulties avoided, while its action and conclusion would, in common, bind all. The fluctuations, requiring repeated conferences, began to develop the propriety as well as the necessity of agreeing upon some general plan which would obviate frequent meetings, and yet fix wages in accordance with the price of iron. With that end in view, committees of conference were appointed; and, after repeated meetings, finally agreed, on the thirteenth day of February, 1865, upon a scale of prices to be paid for boiling pig iron based on the manufacturers' card of prices.

An original copy of this scale, in the possession of the writer, reads as follows: —

MEMORANDUM OF AGREEMENT

Made this thirteenth day of February, 1865, between a Committee of Boilers and a Committee from the Iron Manufacturers, appointed to fix a scale of prices to be paid for Boiling Pig Iron, based on the Manufacturers' Card of Prices; it being understood either party shall have the right and privilege to terminate this agreement by giving ninety days' notice to the other party, and that there shall be no deviation without such notice.

When the manufacturers' card of prices are at the rates named below, the price for boiling shall be at the prices opposite per ton of 2,240 pounds.

Manufacturers.	Boilers.	Manufacturers.	Boilers.
8⅓ cents per pound . . .	$9 00	5½ and 5¼ cents per pound .	$6 00
8¼ " " . . .	8 75	5 and 4¾ " " .	5 75
8 " " . . .	8 50	4½ and 4¼ " " .	5 50
7¾ " " . . .	8 25	4 and 3¾ " " .	5 00
7½ and 7¼ " . . .	8 00	3½ and 3¼ " " .	4 75
7 and 6¾ " . . .	7 50	3 and 2¾ " " .	4 50
6½ and 6¼ " . . .	7 00	2½ " " .	4 00
6 and 5¾ " . . .	6 50		

This is probably the first important attempt at conciliation in this country. It is, at least, the first one that involved such large interests, and is probably the earliest example of a sliding scale in the industries of the country, antedating four years the basis arrangement in the anthracite regions.

The operation of this scale was of short duration. The price of iron fell from seven and a half cents per pound in February to four cents in July; and the wages for boiling fell in proportion. The men gave the ninety days' notice to terminate the scale. At the expiration of the notice the price of boiling had risen to six dollars under the scale; but the men demanded eight dollars without a scale, and received it. This price prevailed to near the close of 1866, when the puddlers demanded an advance to nine dollars, which was conceded, though under protest, as the other advances had been. This concession, however, was not of long standing; for soon the manufacturers gave evidence of unwillingness to continue the prices, culminating in a notice of reduction to seven dollars per ton. In this notice all the manufacturers, with but very few exceptions, united, not only in Pittsburgh, but in all iron works in the adjacent country. The puddlers refused to accept the reduction; and, as a consequence, a lock-out was inaugurated

which extended from December, 1866, to the middle of May, 1867, all the mills, with two or three exceptions, remaining idle all that time. This lock-out terminated in the manufacturers paying the old wages.

Though the manufacturers had resumed work, it was evident that they could not and would not long pay this price; and the "Sons of Vulcan" determined to endeavor to again secure the adoption of a sliding scale. A circular was adopted, and addressed to each iron firm in the city, by the committee of officials of the association, suggesting a conference with the manufacturers, with a view of adopting, if possible, another scale regulating the wages paid. The circular was responded to by the manufacturers affirmatively. The committees came together, and after a number of meetings agreed, on the twenty-third day of July, 1867, upon a scale of prices, as follows: —

MEMORANDUM OF AGREEMENT

Made this twenty-third day of July, 1867, between the Committees of Boilers and Manufacturers, to wit: —

That nine dollars per ton shall be paid for boiling iron until the seventeenth day of August, 1867. From that time until the fifteenth day of September, eight dollars shall be paid.

After latter date the following scale shall be operative: —

Iron.	Boiling.
5 cents card rates	$8 00
4¾ " " "	7 75
4½ " " "	7 50
4¼ " " "	7 25
4 " " "	7 00
3¾ " " "	6 75
3½ " " "	6 50
3¼ " " "	6 25
3 " " "	6 00

Being twenty-five cents per ton reduction or advance for each change of one-quarter of a cent per pound on card rates. Either party to this arrangement can terminate the same by giving thirty days' notice to the other party.

It is further understood that immediate steps shall be taken by both parties, following said notice, to meet, and endeavor to arrange the difference, and settle the difficulty which occasioned said notice.

This scale, with a modification that allowed of an advance by tenths of a cent per pound instead of by quarters of a cent, remained in force, and regulated the price of wages for boiling

iron for seven years. It will be noted that there is no provision in the scale when the card rate is below three cents. As the card rate approached this figure, the manufacturers asked for a conference, with a view to arrange for a price for boiling when the card reached this point, or went below it; claiming, which was not denied, that it was an understanding at the time of the adoption of the scale, that it should be revised when iron reached three cents per pound.

The first conference was held Nov. 7, 1874, when the manufacturers gave the required thirty days' notice to terminate the agreement, coupled with the proposition to effect "a reduction of one dollar per ton on a three cent card and all below that figure, and at the same time providing for an extension of their card rates from three cents to two and a half cents. During the thirty days, and before the notice had expired, a number of meetings were held, at which the men proposed a reduction of fifty cents per ton on a three cent card, wages, however, to extend no lower, should the price list be reduced. This, however, the manufacturers refused. On the 5th of December, 1874, they held their last meeting, adjourning with the understanding that they agree to disagree." Then commenced the memorable strike which kept the many mills of Pittsburgh in an almost complete state of idleness, especially the puddling departments, during the entire winter. In March the manufacturers proposed to arbitrate; but the men at that late day refused. Matters continued without material change until the 15th of April, 1875, when, at a meeting of the manufacturers, it was decided to resume at $5.50, iron having fallen to two and a half cents per pound. This ended the strike; and it also ended all agreement between the manufacturers as a body and the puddlers as a body, each manufacturer signing the scale for himself, though the scale signed by each was the same. In a word, though attempts have been made each year since to reach an agreement by committees, conciliation in arranging a scale for boiling ended with the strike of 1874–75.

In other classes of the iron work, however, scales had been adopted that are still in force. Several classes of these workers had unions separate from the "Sons of Vulcan."

After the long puddlers' strike of 1874, each organization began to agitate the propriety of amalgamating into one grand general organization. The agitation at last ended in each

organization, at their annual conventions of 1875, appointing committees who were authorized to meet during the year to devise and prepare plans looking to the federation of all the associations, and to report to the next annual conventions, which were all arranged to meet the following year at Pittsburgh, at which time the several associations were merged into one, under the distinctive title of the "Amalgamated Association of Iron, Steel, and Tin Workers of the United States."

A curious feature of the history of this association since the amalgamation is, that, though it fails as a body to arrange a scale for boiling with the manufacturers, as a body it has arranged scales covering most of the other important classes of skilled work in the rolling mills. A number of the scales now in force in the Pittsburgh mills are appended to show their character and scope.

GUIDE MILL ROLLING.

MEMORANDUM OF AGREEMENT

Made this second day of April, 1872, between a Committee of Guide Rollers and a Committee from the Iron Manufacturers, appointed to fix a Scale of Prices to be paid for Rolling Iron, based on the Manufacturers' Card of Prices; it being understood that either party shall have the right and privilege of terminating this agreement by giving sixty days' notice to the other party, but there shall be no deviation without such notice and a conference.

It is agreed that the base price at a four and five-tenths manufacturers' card shall be the straight four dollars rate for guide rolling, with two (2) per cent additional for each one-tenth advance of manufacturers' card, and two (2) per cent decline for each deduction of one-tenth ($\frac{1}{10}$) from manufacturers' card.

Committee of Rollers.	*Committee of Manufacturers.*
John E. Small,	James I. Bennett,
John Davies,	Charles H. Zug,
Samuel Carson,	B. F. Jones,
James H. Riley,	William Varnum,
Louis O'Donnell,	A. E. W. Painter,
Robert Moore.	James C. Lewis,
	H. W. Oliver, Jun.

BAR AND NAIL PLATE ROLLING AND HEATING AGREEMENT.

MEMORANDUM OF AGREEMENT

Made this seventeenth day of October, 1879, between a Committee of Bar and Nail Mill Rollers and Heaters, and a Committee from the Iron Manufacturers, appointed to fix a Scale of Prices to be paid for Rolling and Heating Iron, based on the Manufacturers' Card of Prices; it being understood that either party shall have the right and privilege of terminating this agreement by giving sixty days' notice to the other party, but that there shall be no deviation without such notice and a conference.

It is understood and agreed that in mills running on specialties, separate contracts may be made between the manufacturers, rollers, and heaters, without interfering with this arrangement.

When the manufacturers' card of prices are at the rates named below, the price of rolling and heating shall be at the prices opposite, per ton (2,240 lbs.). Nail-plate rolling ten cents per ton less than bar rolling.

Card Rates.	Rolling and Heating.	Card Rates.	Rolling and Heating.
$2\frac{5}{10}$ cts.	65 cts.	$3\frac{3}{10}$ cts.	78 cts.
$2\frac{6}{10}$ "	$66\frac{1}{2}$ "	$3\frac{4}{10}$ "	80 "
$2\frac{7}{10}$ "	68 "	$3\frac{5}{10}$ "	82 "
$2\frac{8}{10}$ "	$69\frac{1}{2}$ "	$3\frac{6}{10}$ "	85 "
$2\frac{9}{10}$ "	71 "	$3\frac{7}{10}$ "	88 "
3 "	$72\frac{1}{2}$ "	$3\frac{8}{10}$ "	91 "
$3\frac{1}{10}$ "	74 "	$3\frac{9}{10}$ "	94 "
$3\frac{2}{10}$ "	76 "	4 "	97 "

Committee of Rollers and Heaters.

James Penny,
John L. Mills,
Morgan Z. Evans,
John Krepps,
Charles P. Bowman,
Peter Straub,
Joseph Bishop.

Committee of Manufacturers.

B. F. Jones,
J. R. Wilson,
Charles L. Fitzhugh,
David B. Oliver,
A. F. Keating.

SCALE OF PRICES FOR KNOBBLING.

MEMORANDUM OF AGREEMENT

Made at Pittsburgh this twenty-third day of February, 1880, between a Committee of the Amalgamated Association of Iron and Steel Workers, and a Committee of Iron Manufacturers, appointed to fix a Scale of Prices to be paid for Knobbling, based on the Western Iron Association's Card of Prices; it being understood that either party shall have the right and privilege of terminating this agreement by giving sixty days' notice to the other party, but that there shall be no deviation without such notice and a conference.

When the Western Iron Association's card of prices is at the rates named below, the price of knobbling shall be at the prices opposite, per ton (2,464 lbs.).

Association's Card.	Scrap. Per Ton, 2,464.	Refined Iron. Per Ton, 2,464.	Pig Metal. Per Ton, 2,464.	Association's Card.	Scrap. Per Ton, 2,464.	Refined Iron. Per Ton. 2,464.	Pig Metal. Per Ton, 2,464.
Bar Iron.				Bar Iron.			
$2\frac{5}{10}$	$4 70	$6 11	$7 52	$4\frac{8}{10}$	6 42	8 21	10 34
$2\frac{6}{10}$	4 80	6 22	7 68	$4\frac{4}{10}$	6 52	8 33	10 50
$2\frac{7}{10}$	4 89	6 34	7 83	$4\frac{5}{10}$	6 62	8 45	10 66
$2\frac{8}{10}$	4 99	6 45	7 99	$4\frac{6}{10}$	6 72	8 57	10 82
$2\frac{9}{10}$	5 08	6 57	8 14	$4\frac{7}{10}$	6 82	8 69	10 98
3	5 17	6 68	8 30	$4\frac{8}{10}$	6 92	8 81	11 14
$3\frac{1}{10}$	5 27	6 80	8 45	$4\frac{9}{10}$	7 02	8 93	11 30
$3\frac{2}{10}$	5 37	6 91	8 61	5	7 12	9 05	11 46
$3\frac{3}{10}$	5 46	7 02	8 76	$5\frac{1}{10}$	7 22	9 17	11 62
$3\frac{4}{10}$	5 56	7 13	8 92	$5\frac{2}{10}$	7 32	9 29	11 78
$3\frac{5}{10}$	5 65	7 24	9 07	$5\frac{3}{10}$	7 42	9 41	11 94
$3\frac{6}{10}$	5 75	7 37	9 23	$5\frac{4}{10}$	7 52	9 53	12 10
$3\frac{7}{10}$	5 84	7 49	9 38	$5\frac{5}{10}$	7 62	9 65	12 26
$3\frac{8}{10}$	5 93	7 61	9 55	$5\frac{6}{10}$	7 72	9 77	12 42
$3\frac{9}{10}$	6 02	7 73	9 71	$5\frac{7}{10}$	7 82	9 89	12 58
4	6 12	7 85	9 86	$5\frac{8}{10}$	7 92	10 01	12 74
$4\frac{1}{10}$	6 22	7 97	10 02	$5\frac{9}{10}$	8 02	10 13	12 90
$4\frac{2}{10}$	6 32	8 09	10 18	6	8 12	10 25	13 06

This scale not to go below two and a half cents, Western Iron Association's card. Knobbler to pay his helper one-third the above price for refined iron and pig metal.

Com. of Manuf.
G. F. McCleane,
W. D. Wood,
P. H. Laufman,
J. C. Kirkpatrick,
W. C. Cronemeyer.

Com. of Amal. Asso. of Iron and Steel Workers.
T. C. Crawford,
Mark Lewis,
George G. Moyers,
John Jarrett,
William Martin.

SCALE OF PRICES FOR ROLLING ON SHEET AND JOBBING MILLS.

MEMORANDUM OF AGREEMENT

Made at Pittsburgh this first day of March, 1880, between a Committee of the Amalgamated Association of Iron and Steel Workers, and a Committee of Iron Manufacturers, appointed to fix a Scale of Prices to be paid for Rolling, on a Sheet and Jobbing Mill, based on the Western Iron Association's Card of Prices; it being understood that either party shall have the right and privilege of terminating this agreement by giving sixty days' notice to the other party, but that there shall be no deviation without such notice and a conference.

It is agreed that at a three and a half ($3\frac{1}{2}$) cents Iron Association card the prices for rolling on a sheet and jobbing mill, per ton of 2,240 lbs., shall be as follows, with two (2) per cent additional for each one-tenth advance of association's card, and two (2) per cent decline for each deduction of one-tenth ($\frac{1}{10}$) from association's card.

Gauges.	Prices for Rolling on a $3\frac{1}{2}$ Card, per Ton, 2,240 lbs.	Gauges.	Prices for Rolling on a $3\frac{1}{2}$ Card, per Ton, 2,240 lbs.
No. 8 and heavier .	$4 50	Nos. 25 and 26 . .	$11 00
Nos. 9 to 11 . .	5 00	No. 27 . . .	12 00
12 to 14 . .	6 00	28 . . .	13 00
15 to 17 . .	7 00	29 . . .	14 00
18 to 21 . .	8 50	30 . . .	15 00
22 to 24 . .	10 00		

This scale not to go below two and one-half ($2\frac{1}{2}$) cents, Western Iron Association's card.

Ten per cent added on all strong iron, by whatever name called, No. 22 and lighter.

All sheets, No. 18 and lighter, over thirty-two inches wide, ten per cent extra on above prices.

Heater to receive one-fourth ($\frac{1}{4}$) above prices; shearman one-fifth ($\frac{1}{5}$); roller to receive balance, and pay rougher and catcher only.

Com. of Manuf.
B. F. Jones,
A. M. Byers,
G. F. McCleane,
W. C. Cronemeyer,
G. A. Steiner,
P. H. Laufman,
H. McDonald,
John Q. Everson.

Com. of Amal. Asso. of Iron and Steel Workers.
E. H. Davies,
Walter F. Davis,
D. H. Summers,
John Jarrett,
Richard Morgan,
William Martin,
Isaiah Whitehead.

PITTSBURGH SCALE OF PRICES FOR BOILING.

MEMORANDUM OF AGREEMENT

Made this day of 188 , between the firm of and the Boilers in their employ.

When Card Rates of Bar Iron are, per Pound.	Boiling shall be per Ton of 2,240 pounds.	When Card Rates of Bar Iron are, per Pound.	Boiling shall be, per Ton of 2,240 pounds.
$2\frac{5}{10}$ cents	$5 50	$3\frac{8}{10}$ cents	$7 10
$2\frac{6}{10}$ "	5 60	$3\frac{9}{10}$ "	7 25
$2\frac{7}{10}$ "	5 70	4 "	7 40
$2\frac{8}{10}$ "	5 80	$4\frac{1}{10}$ "	7 57
$2\frac{9}{10}$ "	5 90	$4\frac{2}{10}$ "	7 75
3 "	6 00	$4\frac{3}{10}$ "	7 92
$3\frac{1}{10}$ "	6 12	$4\frac{4}{10}$ "	8 10
$3\frac{2}{10}$ "	6 25	$4\frac{5}{10}$ "	8 30
$3\frac{3}{10}$ "	6 37	$4\frac{6}{10}$ "	8 50
$3\frac{4}{10}$ "	6 50	$4\frac{7}{10}$ "	8 70
$3\frac{5}{10}$ "	6 65	$4\frac{8}{10}$ "	8 90
$3\frac{6}{10}$ "	6 80	$4\frac{9}{10}$ "	9 10
$3\frac{7}{10}$ "	6 95	5 "	9 30

The above agreement and scale of prices shall continue until the first day of June, 1881.

For the Manuf. *For the Amal. Asso. of Iron and Steel Workers.*

SCALE OF PRICES FOR MUCK ROLLING.

MEMORANDUM OF AGREEMENT

Made at Pittsburgh this seventh day of September, 1880, between a Committee of the Amalgamated Association of Iron and Steel Workers and a Committee of Iron Manufacturers, appointed to fix a Scale of Prices to be paid for Muck Rolling, based on the price of Boiling; it being understood that either party shall have the right and privilege of terminating this agreement by giving sixty days' notice to the other party, but that there shall be no deviation without such notice and a conference.

It is agreed that the price to be paid for muck rolling per ton of 2,240 lbs. shall be twelve and one-half per cent, or one-eighth of the price paid for boiling iron, from and after the first day of September, 1880.

It is further agreed that the price, viz., twelve and one-half per cent, of boiling iron shall not go below the price paid on a two and one-half cent card of the Western Iron Association as a basis for boiling iron.

The above price to include all labor in taking iron from squeezer, and delivering upon bank straightened, except bloom boy. In such case, where

a bloom boy is used, the manufacturers hereby agree to pay one-half the wages paid to said bloom boy.

Com. of Manuf.
A. F. Keating,
A. C. Milliken.

Com. of Amalgamated Asso. of Iron Workers.
Peter Straub,
August Miller,
Jacob Wertz,
John Jarrett,
M. L. Morgan.

It should be noted, as showing the importance of the action in adopting these scales, that, for the most part, they governed for years the wages paid in all the rolling mills west of the Allegheny Mountains. At Wheeling, however, scales have been adopted through conference committees, based in most instances on the price of nails, which are the chief production of the mills of that vicinity. Even the price of mining coal is fixed by a scale based on the price of nails. At Cincinnati the workmen and manufacturers in the iron mills, early in the present year, by committees, arranged a series of scales based, like the Pittsburgh scales, on the card rate of iron, which are now in force. At Philadelphia, at the close of a long strike early in this year, and as the result of a conference, a scale of wages was agreed upon for the iron mills of that vicinity, that has been in force since.

It should be said in regard to these agreements, that they have in every instance been faithfully kept, the terms have been strictly adhered to, and, if any change in the terms of the agreement has been desired, the agreement has always been abrogated in the way named in its terms. A possible exception to this statement is in certain cases where certain employés working under these scales have struck, though there was no question as to their wages, to assist in enforcing the demand of some other class of labor, — as when the rollers would strike to assist the puddlers to obtain a scale; but even in such cases it should be stated that the workmen do not regard it as in any fair sense a violation of their agreement.

Arbitration in Pennsylvania.

In no State of the Union has industrial arbitration received so much attention as in Pennsylvania. We have narrated the history of conciliation in the iron trade of this State, but this account by no means covers the history of conciliation in

its industries; from its very nature it is well-nigh impossible to gather the facts necessary to a complete history.

With arbitration it is different, its methods being open and formal, and of such a nature as to demand a record of some kind which can be made available for historical purposes.

In the coal trade of this State there are records of at least three attempts at formal arbitration in three of the great coal basins, — the Anthracite, the Pittsburgh, and the Shenango Valley. In these centres arbitration has found most earnest advocates both among operators and workmen; and notwithstanding its failure in each case in which it has been tried, not through any inherent fault in the system, but from faults in some of those who have attempted to apply the principle to industrial disputes, there are still many of the leading men who would be glad to see a new trial if it could be made under the proper conditions.

It has also been a subject of careful investigation and discussion by the executive and legislative branches of the state government. At the meeting of the legislature next after the Pittsburgh riots of 1877, a bill was introduced providing, upon the application of either party to a labor dispute, for compulsory arbitration with legal sanctions and enforcement of the award. Just here it may be proper to state that compulsory arbitration is a complete failure in England; or perhaps it would be better to say that, though laws providing for such arbitrations have been on the English statute books since 1824, in no single instance have they been appealed to. Arbitration in England has been purely voluntary in the submission of the case, the conduct of the investigation, and the enforcement of the awards.

Previous to the introduction of this bill, Gov. Hartranft had requested the writer to visit England as special commissioner of the State to examine into the practical workings of arbitration and conciliation. The appointment was accepted, and the investigation made in 1878; and the result embodied in a report[1] which Gov. Hartranft transmitted to the legislature with his last message in 1878, devoting considerable space in the message to a discussion of the labor question and the advantages to be derived from arbitration.

Notwithstanding the agitation of the subject, however, there is not at present any arbitration board in the State, nor is formal and systematic arbitration employed as a means of settling disputes between employers and employed.

[1] Forming Part I. of this pamphlet.

Arbitration in the Pennsylvania Anthracite Regions.

Referring to attempts at arbitration mentioned already, it appears that the first formal arbitration in this country of which we have any details — if, indeed, it is not the first attempt at arbitration in any of our industries — took place in the anthracite regions of Pennsylvania in 1871.[1]

The industrial history of the anthracite regions has been marked by greatest fluctuations in demand and prices for its product, and a most terrible catalogue of outrages connected with labor difficulties.

Relative to demand and prices, the chief features of the trade have been times or eras of greatly increased demand united with high prices, to be soon followed by other times and eras of overproduction, and then low prices and resulting depression and disaster. The total result, however, so far as relates to production, has been a constant increase. In the decade ending with 1849, the amount of anthracite coal actually sent to market was 18,954,678 tons (see Report, Pennsylvania Bureau of Statistics, 1872–73, p. 214). In the next decade the amount increased to 58,333,469 tons; and in the decade following, ending with 1869, the total reached 106,883,488 tons. That is, the increase in twenty years was nearly five hundred per cent.

This rapid increase in production created an unprecedented demand for labor, coupled in the seasons of demand with such inducements in the way of wages that vast bodies of workmen were attracted from other industries and other sections, and even from foreign countries, to the anthracite regions and the mining of coal. It is estimated that at the time of the arbitration under consideration over fifty thousand persons were directly employed in connection with the mining of anthracite coal.

This large body of men thus gathered from all trades and all sections, to the following of an industry that has but little in itself to attract men to it, did not readily unite. That intangible thing that the French call *esprit du corps*, which is such a conservator at times of impulse and passion, and so inspiriting in hours of depression and disaster, grew but slowly. The workmen had but little in common except their occupation, and

[1] These attempts in Pennsylvania were contemporaneous with those in Lynn, Mass. See Part II. of this pamphlet.

between employés and employer there seemed not the least community of interest. In the periods of over-demand, prices for labor would be forced by the men or conceded by the operators to a ruinously high figure; but the inevitable glutting of the market that followed brought wages to a point inadequate to sustain life, and a period of privation and suffering followed.

These periods of plenty and suffering that followed each other with a grim regularity soon told upon the character of the workmen of this region; and a condition of society almost surpassing belief developed itself, marked by the most terrible evidences of its existence. Strikes were the normal condition of the region; and, their outcome being for the most part the constant defeat of the workingmen, a feeling of utter hopelessness and blind recklessness became the ruling spirit of many of the workmen, though it should not be forgotten that there was still a large class of miners who were as thoughtful, provident, and self-respecting as any class of citizens. Unfortunately, however, it is not this class that give character and reputation to a section. A writer, speaking of the condition of this region during the war, describes it as "a pandemonium of outrage, violence, and anarchy, utter disregard of the sanctity of law, and of immunity through its lax enforcements, such as has never been known before in Pennsylvania, and seldom in the nation. The long train of murders and of attempted murders, of horrible beatings, of outrages by waylaying, of robberies and attempted robberies, none of them prosecuted to conviction, and which, by prejudiced representation, were made to give their coloring to the character of the whole working population, constituted a reign of horrors never to be forgotten or thought of without a shudder by those who lived through them." (Report, Pennsylvania Bureau of Statistics, 1872–73, p. 329.)

It was in the midst of such a condition of affairs that two associations were formed, that for years exerted a powerful influence on the employés and trade of this region.

On the 6th of April, 1868, a petition was presented to the Court of Common Pleas of Schuylkill County, asking for a charter for the "Workingmen's Benevolent Association of St. Clair," which petition was granted in due course. On the fourteenth day of the same month, the Governor of Pennsylvania approved an act which made eight hours a legal day's work, the act to take effect July 1.

About the middle of June a movement in favor of this law, which originated in the Mahanoy Valley, terminated in a strike that lasted several months, and resulted in the discomfiture of the men. The suspension of operations caused by this strike advanced the price of coal, which was ruinously low before, and taught the miners a lesson that they were not slow to learn, as to the immediate effect of suspension on production and prices. It also had the more important effect of extending the Workingmen's Benevolent Association, which before this had been local, throughout all that region. Branches of the association were formed in various parts of the region; and on March 17, 1869, a General Council of the Workingmen's Benevolent Association was formed at Hazelton, in which the different counties were allowed representation as follows: Schuylkill, 4; Luzerne, 4; Carbon, 3; Northumberland, 3; Columbia, 2; Dauphin, 1.

Prior to the organization of the Workingmen's Benevolent Association of St. Clair, as above noted, an association of coal operators was formed north of the Broad Mountain in the year 1867, under the name of the Mahanoy Valley and Locust Mountain Coal Association. It embraced nearly all the larger collieries in that region; and its success in the disposition of questions heretofore occasioning strikes was such as to lead to the formation of other organizations at different points during the year 1868, by representatives from each of these. The Anthracite Board of Trade of the Schuylkill coal region was formed on Nov. 19, 1869, with Mr. William Kendrick as president. This organization controlled at its formation 4,437,000 tons; and, having been duly incorporated, acted thereafter in all negotiations with the workmen.

Each party to the labor contests in this region was thus prepared with an organization that could give voice to its wishes and intentions, and could conduct any contest that should be joined. It should be noted, however, that neither the entire body of workmen nor all the operators were members of the respective organizations.

At the meeting at Hazelton, noted above, at which the General Council of the Workingmen's Benevolent Association was formed, the members resolved to prepare for a general suspension of work, which was to be ordered by the president when four counties should unite in favor thereof. As the result of

the suspension at the time of the eight hour strike referred to above, and the consequent reduction of production and advance in price, a strong impression was prevalent in the minds of the men that a minimum should be fixed to the price of coal, and that a suspension of work should be ordered when the market would not afford this price; the suspension to continue until the demand should advance the price of coal to the minimum fixed.

In accordance with this view and the action of the Hazelton meeting, a suspension was resolved on; and on the 29th of April, 1869, Mr. John Siney, as president of the Schuylkill Association, here called the Miners' and Laborers' Benevolent Association, ordered a general suspension of all work excepting rock work timbering and repairing, the suspension to go into effect May 10. This suspension was general throughout the anthracite region, with the exception of the mines of the Pennsylvania Coal Company, and the Delaware, Lackawanna, and Western Coal Company, whose workmen by a unanimous vote decided "to postpone suspension to some future time."[1] The suspension continued in the other upper regions for five months, — from April to August.

The General Council of the Workingmen's Benefit Association held another meeting at Hazelton, May 11, 1869, at which the first formal action was taken by the miners on the "basis system." The theory of this system is the establishment of a scale of wages having a certain fixed relation to the selling price of coal, with a minimum limit or basis below which the selling price of coal shall not fall, or, if it does, wages shall not fall below the rate provided for at this minimum.

At this Hazelton meeting of May 11, the basis system was discussed, and it was resolved, —

"That the minimum price of coal be fixed at five dollars at Elizabeth Port, and three dollars at Port Carbon; and the basis to be fixed in accordance therewith."

The questions as to what the wages were to be at the basis, and what the percentage of advance as the price went up, were

[1] See *Review of the Operations of the Basis System in the Schuylkill Coal Regions*, p. 4. I am under obligations to Mr F. B. Gowen, President of the Reading Railroad, for a copy of this review, with manuscript notes, of which free use has been made.

referred by the council to the executive boards of the several districts "for their settlement and final disposal to the best advantages possible," only providing that, if any district failed to obtain a fair basis, they were to be supported by the others.

This resolution, it should be noted, virtually attempted to fix two things: —

1st, A minimum rate, below which the price of coal should not fall at the mines or at the point of shipment in the mining regions, — that is, at Port Carbon; and

2d, It attempted to fix a rate of freight for the transportation of coal, which was to be two dollars.

Or, in other words, the Workingmen's Benevolent Association proposed to regulate the mining, transportation, and price of coal, — an undertaking of no little magnitude, and one that had tasked the best energies and intelligence of the anthracite regions.

While the strike or suspension of work was in progress, the Executive Committee of the Coal Association of the Schuylkill region submitted to the men, on the 4th of June, 1869, the following propositions: —

"1. Prices of labor to be regulated by prices of coal, taking the average of all sizes at Port Carbon; the percentage to be regarded in making the average to be: larger sizes, seventy-five per cent; chestnut, twelve and a half per cent; and pea, twelve and a half per cent.

"2. When the average price of coal is three dollars per ton at Port Carbon, outside labor to be eleven dollars per week; platform men, eleven dollars and a half per week; inside labor, twelve dollars per week; and miners, fourteen dollars per week, clear of costs.

"3. For each advance of twenty-five cents per ton at Port Carbon, an advance of fifty cents per week and five cents per wagon; and for each decline of twenty-five cents, a similar reduction, yardage to be in proportion.

"4. The advance and decline in price of coal to be determined by a board of five operators, to be appointed by the Workingmen's Benefit Association, who will pledge themselves to make a true and correct statement of their sales for each month.

"5. The rates of wagon work and yard work to be those now existing at each colliery, on which the advance or decline is to operate unless modified by amicable agreement between employer and employé.

"6. No stoppage of work until a notice of six days has been given.

"7. If any colliery in this association is prevented from starting by reason of any threats against bosses or other employers, or by reason of any attempted dictation as to who shall or who shall not be employed, whether as boss or other employé, we, as representatives of the Coal Association, pledge ourselves to remain idle until such colliery be able to start wholly free from any such restraint or interference.

"8. We also require that the local committees shall abstain from all illegitimate interference with the working of the collieries."

At a meeting of the General Council of the Workingmen's Benevolent Association, held at Mahanoy City, June 9, the proposition of the operators having been considered, it was resolved, —

"That, the object of the suspension having been attained by the depletion of the surplus of coal in the market, on and after June 16, all districts or branches that can agree with their employers as to basis and condition of resumption do resume work."

The council refused to acquiesce in or discuss the seventh and eighth clauses of the operators' proposition, on the ground, as stated by Mr. John Parker, the president of the Workingmen's Benevolent Association, that the workmen claimed no such rights.

Immediately after the adjournment of the General Council, the Executive Board of Schuylkill County of the Workingmen's Benevolent Association met, and made the following proposition as a basis on which to resume work: —

"That we demand for outside labor eleven dollars; platform men eleven dollars and a half; inside labor twelve dollars; and miners fourteen dollars per week, when working on wages — all inside work to be clear of expenses; also, that contract work to be raised in accordance therewith: this to be asked when coal is at three dollars at Port Carbon.

"That we receive one-fifth of all advances thereafter, and all reduction to be taken off in accordance to above advances.

"The advances and reduction to be on all sizes above pea."

This proposition being but little different from that of the operators, it was accepted, and work resumed in the Schuylkill district in June. In those parts of the northern region in which the suspension occurred, the operators refused to accept a basis, and the suspension continued as before stated until August, when the men yielded and went to work without a basis and scale.

The wages for June, July, and August, as presented in the following table, were agreed upon by the committees representing the two associations, upon hearing the statements of the presidents as to prices, — that for August being increased to make up a deficiency claimed for July. Thereafter, the prices

were reported in writing by the five firms selected, on the 25th of each month, and the wages were based on the average so obtained; it requiring, however, an advance or decline of over twelve and a half cents per ton to permit the advance or reduction of wages.

The prices of coal at Port Carbon so reported, the average, and wages paid thereon per week, are given in the following table: —

1869.	Prices reported at Port Carbon.					
	Highest.	Second.	Third.	Fourth.	Lowest.	Average.
June . . .	–	–	–	–	–	–
July . . .	–	–	–	–	–	–
August . . .	–	–	–	–	–	–
September . .	$3 20½	$3 15½	$2 99	$2 61¼	$2 49	$2 89
October . .	3 66	3 62	3 58	3 27½	3 21	3 44
November . .	3 91	3 81	3 75	3 75	3 54	3 75⅕
December . .	2 84	2 82	2 75	2 68	2 61	2 74
Averages .	$3 40⅜	$3 35⅛	$3 26¾	$3 07 9/10	$2 96¼	$3 20½

1869.	Paid at	Wages paid per Week.		
		Miners.	Inside Labor.	Outside Labor.
June . . .	10 per cent advance .	$15 40	$13 20	$12 10
July . . .	15 " " . .	16 10	13 80	12 65
August . . .	35 " " . .	18 90	16 20	14 85
September . .	Basis	14 00	12 00	11 00
October . .	10 per cent advance .	15 40	13 20	12 10
November . .	15 " " . .	16 10	13 80	12 65
December . .	Basis	14 00	12 00	11 00
Averages .	. . . . .	$15 70	$13 46	$12 33⅓

As will be seen by an examination of this table, the fluctuations in wages under the basis and sliding scale had been quite marked, but the average for the seven months of its operation had been 12$\frac{1}{7}$ per cent above the basis. For the whole year the advance was 7.08, an amount fully twenty-five per cent above the average of 1868, which was again higher than that of 1867. It will also be noted that the closing month of 1869 found the price of coal twenty-six cents per ton below the basis.

In view of these facts, the Anthracite Board of Trade at a meeting held at Tremont, Penn., Dec. 29, 1869, offered the following terms for 1870: —

"*Resolved*, That hereafter the basis shall be fixed at two dollars per ton at Port Carbon, and wages, whilst coal brings that rate, shall be, —

Outside labor	$7 50 per week.
Inside	8 50 " "
Miners	10 50 " "

"The contract work to be reduced from the present three dollar basis, forty per cent.

"The advance in wages as the price of coal advances shall be as follows: When the average of all sizes from lump to chestnut (both inclusive) reaches $2.50, five per cent; $3, ten per cent; $3.25, fourteen per cent; $3.50, seventeen per cent; $3.75, twenty-one per cent; $4, twenty-five per cent; and further advances in the same proportion; and in all cases costs must be paid by the parties using the same.

"These prices to be obtained from the average of actual sales, as shown by the books of five operators."

This proposition was rejected, and the collieries represented in the association stopped work. A number of outside collieries, however, continuing to work, the restriction was withdrawn Jan. 17, that those might work who thought proper to do so.

On Feb. 18, the above offer was withdrawn, and new terms offered on a basis to be fixed at two dollars and a half per ton at Port Carbon; outside labor to be nine dollars per week; inside labor to be ten dollars per week; miners' wages to be twelve dollars per week, clear of expenses. Contract work to be reduced thirty per cent below present prices. Labor to receive twenty per cent advance on coal.

On March 15, the largest meeting of the trade ever held took place in Union Hall, Pottsville, with Mr. James Neill as president. Seventy-six firms, representing over four million

tons, were present, and agreed to stand by the offer of the Anthracite Board of Trade, of the two dollars and a half basis, declaring the terms to be "even more liberal than the present or prospective condition of the trade warranted;" and notice was given, that, if these terms were not accepted, work would be suspended on April 2.

The workingmen still adhering to the claim for three dollar basis as a minimum, work at once ceased, the tonnage decreasing until it was only 16,038 tons in the third week after the stoppage.

Through the instrumentality of F. B. Gowen, Esq., president of the Philadelphia and Reading Railroad Company, the following terms (known as the "Gowen compromise") were offered by the men, July 22, and finally accepted by the operators, on learning that a number of operators had given orders to start, strongly protesting against the justice of the terms: —

"*Resolved*, That we, the members of the Workingmen's Benevolent Association, do offer to our employers of Schuylkill County to start on the basis of 1869, when coal is worth three dollars per ton at Port Carbon.

"*Resolved*, That, when coal brings $3.25, we demand eight and one-quarter per cent of an advance; $3.50, sixteen and one-half per cent of an advance; $3.75, twenty-four and three-quarters per cent advance; $4.00, thirty-three per cent advance.

"*Resolved*, That when coal falls below the basis of 1869, say $2.75, we accept a reduction of eight and one-quarter per cent; $2.50, sixteen and one-half per cent; $2.25, twenty-four and three-quarters per cent; $2.00, thirty-three per cent, and nothing lower.

"*Resolved*, That any miners working on contract, after they start earning over $100 per month, be reduced ten per cent; $125 and over, twenty per cent; $150 and over, thirty per cent; $200 per month, if there be any, forty per cent.

"*Resolved*, That the above figures be taken from the six grades of coal, pea coal not included.

"*Resolved*, That the above resolutions be handed to F. B. Gowen, Esq., President of the Philadelphia and Reading Railroad Company.

(Signed) JOHN SINEY, *President.*

"GEO. CORBETT, *Secretary.*"

At the time the basis of 1869 was adopted, it was tacitly agreed that interference on the part of the workingmen, or "victimizing" on the part of the manufacturers, was to cease. This tacit understanding was not kept. The Workingmen's Benevolent Association sustained its members in what the Anthracite Board of Trade regarded as illegitimate and arbitrary

interference with their business; and in return the Anthracite Board of Trade, or collieries connected with it, had the members of the Workingmen's Benevolent Association arrested for conspiracy, and they were convicted and imprisoned. These facts, and a desire to avoid all causes of trouble, led to the signing of the following agreement as supplementary to and explanatory of the Gowen compromise.

AGREEMENT

Made at Pottsville this 29th of July, 1870, between the Committee of the Anthracite Board of Trade, and the Committee of the Workingmen's Benevolent Association.

It is agreed that the Workingmen's Benevolent Association shall not sustain any man who is discharged for incompetency, bad workmanship, bad conduct, or other good cause; and that the operators shall not discharge any man or officer for actions or duties imposed upon him by the Workingmen's Benevolent Association.

It is further agreed that the spirit and intention of the resolution (called the equalization resolution), passed by the Workingmen's Benevolent Association, is that each man shall work regularly; and it is the place of the bosses and operators to see that he does. The resolution is, that any miner earning above expenses, over one hundred and less than one hundred and twenty-five dollars, shall be reduced ten per cent on the basis; earning over one hundred and twenty-five dollars and less than one hundred and fifty dollars, shall be reduced twenty per cent on the basis; earning over one hundred and fifty dollars and under two hundred dollars, to be reduced thirty per cent on the basis; earning over two hundred, to be reduced forty per cent on the basis.

For obtaining the price of coal monthly, the president of the Anthracite Board of Trade and the president of the Workingmen's Benefit Association of Schuylkill County shall meet on the twentieth day of each month, and select five operators, who shall, on the 25th inst. following, produce a statement, sworn or affirmed to, of the prices of coal at Port Carbon, for all sizes above pea coal.

The five operators shall be selected from a list of those shipping over forty thousand tons annually, and none shall be selected the second time until the list is exhausted.

The price of coal so obtained shall fix the rate of wages for that month; and this agreement in regard to the mode of obtaining prices shall remain in force during the year 1870.

Under these terms, which continued in force for the year, the average prices per ton at Port Carbon, exclusive of pea, rates of payment, and weekly wages, were as follows:—

1870.	Prices Reported at Port Carbon.					
	Highest.	Second.	Third.	Fourth.	Lowest.	Average.
August . . .	$3 27	$2 92 2/10	$2 85 1/2	$2 74 3/10	$2 48 1/10	$2 85 1/2
September . .	2 50 1/4	2 47 3/10	2 42 2/3	2 41	2 39 1/2	2 44 1/6
October . .	2 70	2 51 7/10	2 50 1/10	2 47 7/10	2 33 1/2	2 50 8/10
November . .	2 39	2 39	2 35 1/2	2 15 3/4	2 09 1/4	2 27 7/10
December . .	2 28	2 20 1/2	2 17 3/4	2 17 1/2	2 00 3/4	2 17
Averages .	$2 62 8/10	$2 50 2/10	$2 46 3/10	$2 39 1/4	$2 26 1/5	$2 45

1870.	Paid at	Wages Paid per Week.		
		Miners.	Inside Labor.	Outside Labor.
August . . .	8 1/4 per cent reduction .	$12 85	$11 01	$10 09
September . .	16 1/2 " " .	11 69	10 02	9 19
October . . .	16 1/2 " " .	11 69	10 02	9 19
November . .	24 3/4 " " .	10 54	9 03	8 28
December . .	24 3/4 " " .	10 54	9 03	8 28
Averages .	. . . . .	$11 46 1/5	$9 82 1/5	$9 00 3/5

On the 7th of November, 1870, the committees representing the Anthracite Board of Trade, and the Workingmen's Benevolent Association of Schuylkill County, met in Pottsville, to arrange for the basis for 1871. Both parties signed an agreement to advocate the adoption of the following terms, provided that satisfactory arrangements could be made with the railroad company for a fair reduction of tolls; to commence with coal at $2.50 per ton at Port Carbon. Outside wages, nine dollars per week; inside wages, ten dollars per week; miners, day, twelve dollars per week; contract work to be reduced sixteen and a half per cent from the present basis. The reduction or addition of percentage to be graded on the new price thus

formed, at the rate of one per cent for each three cents advance or decline in coal.

Pending the consideration of this agreement, and before action, on the 1st of December, 1870, the northern districts decided to reduce wages, and gave notice accordingly. The workmen resisted, and finally, through the General Council of the Workingmen's Benevolent Association (the delegates from Schuylkill County voting no, but being out-voted by the other counties), a general suspension was ordered Jan. 10, 1871.

On Jan. 25, the delegates of the Workingmen's Benevolent Association in Schuylkill County resolved to adhere to the three dollar basis, if the northern companies co-operated with them; if not, they would make the best terms for themselves they could. This entirely repudiated the action of the committees on Nov. 7, 1870.

The Philadelphia and Reading Railroad Company having decided to increase the rates of tolls as shipments decreased, until increased shipments could be secured, the authority of the Legislature was invoked by the men, and the Judiciary Committee of the Senate was instructed to take testimony and report.

This investigation resulted in nothing but a virtual defeat of the Workingmen's Benevolent Association, the committee reporting that in accordance with certain decisions of the Supreme Court, the Legislature had no power to interfere.

We have entered thus fully into the history of the labor troubles in the anthracite region prior to and at the time of the first trial of the basis system, as it shows most admirably the advantages that result from the adoption of conciliation in the settlement of labor troubles. If in such a trade, with such a class of men as we have described, under so many adverse circumstances, an agreement could be reached that should be self-acting, and should regulate the wages with the fluctuations of the market, it need scarcely be said that other trades that will not encounter any such adverse circumstances need not despair of finding through it a settlement of some of the vexed questions that afflict their special industry.

We have now reached the time when, under the decision of an umpire and as the result of a careful trial, the basis system received a deliberate sanction, and became a feature of the method of the payment of wages in the Schuylkill Valley.

We have already noted the act of the General Council of the

Workingmen's Benevolent Association, in abrogating without notice the basis for 1871, agreed upon by the president of the Workingmen's Benevolent Association, for adoption in Schuylkill County, and the demand for the old three dollar basis. Coupled with this we have noted the advance of tolls on the Reading Road, the appeal to the legislature by the Workingmen's Benevolent Association, and its failure to accomplish the purpose designed.

The subject of arbitration as a means of settling these disputes had for some time received a good deal of attention. Reports had been received of its operations in England, and published in the local journals; and some of the most influential of these had urged its adoption. At the time of the coal investigations by the legislature above referred to, Mr. Gowen of the Reading Road used his utmost influence to prevail upon the workmen to accept arbitration. His views of arbitration, and his efforts to secure its adoption, he thus states in his argument before the committee: —

"I believe that the only permanent remedy for personal differences is arbitration, with an umpire whose decision shall be final. There never has been a time when we were not willing to resort to this plan. For two years we have been trying to bring it about. In the last annual report of the Reading Railroad Company, it was suggested as the proper method of avoiding future troubles; but the Workingmen's Benevolent Association has never been willing to adopt it. Acting entirely upon the principle that no one had any rights but themselves, and that what they did not know was not worth knowing, they have persistently refused to accept any other arbiter than that of their own wills. Whatever we suggested has been considered as the advice of an enemy; and they have never yet arrived at the conclusion that the interests of the workingman and his employer are identical, and that both can be best subserved by unity of action.

"Even so late as this afternoon, I stated to the officers of the association, that, if they would agree to the postponement of this argument for one week, I would call a general meeting of the railroad and mining interests for to-morrow, and would hand to them on the following day (Friday) a proposition that work should be resumed on Monday in all the districts, without any agreement about wages, and that before the end of the month a board of arbitration and conciliation, with an umpire whose decision should be final, should meet in each district to adjust the wages; that whatever such board agreed to would be paid; and that the charges for transportation should be reduced as soon as work was commenced: but this proposition was promptly rejected, and I was told that the argument should be proceeded with to-day."

During his testimony, earlier in the investigation, in answer to the question, "How is this [that is, the troubles] going to end?" he said, —

"It can end whenever the workingmen listen to reason, and sit quietly down among themselves, and meet the operators, and let some umpire decide it. I have been trying to do that. I have cited cases in England where it has done great good; let the workingmen have their committee, and the operators their committee, and, if they cannot agree, let some umpire decide between them."

His appeal and offer, in the end, were not without effect; for, by an agreement made soon after the legislative investigation, arbitrators were selected from both sides for Carbon, Luzerne, Schuylkill, Columbia, and Northumberland Counties, who met at Mauch Chunk, April 17, 1871, and chose Judge William Elwell of Bloomsburg as umpire. The board had been convened "to settle the difficulties now [then] existing, but no others;" but, to the surprise of the operators, the delegates from the Luzerne and Lehigh regions refused to allow the question of wages to be submitted to the decision of the umpire, and the men from Schuylkill introduced a new proposition, basing wages upon the price of coal on board vessels at Philadelphia, — an evident attempt to control transportation charges, in which they had just been defeated before the legislature. These positions thus taken by the workmen resulted in the failure of the arbitration, so far as wages were concerned; but the question as to the respective rights of employers and employed was submitted to Judge Elwell for his decision. E. W. Clark, on the part of the operators, and James Kealy, on the part of the workmen, formally presented their statements in reference to the questions of interference with the works, and discharging men for their connection with the Workingmen's Benevolent Association. Votes taken on the adoption of the presentments of either side being rejected, they were referred to the umpire, who at the next session gave the following decision: —

DECISION OF HON. WILLIAM ELWELL, UMPIRE.

To whom was referred, by the Board of Arbitration convened at Mauch Chunk, the question of Interference of Mines.

CONTROL OF WORK.

The umpire, to whom was referred certain points in reference to control of collieries, upon which points arbitrators here present, chosen respectively by operators and miners, have failed to agree, makes the following report: —

First, The right of an owner or lessee and operator of a colliery to the entire and exclusive control and management of his works is guaranteed to him by the law of the land, and is of such an unquestionable character that it ought not to be interfered with, either directly or indirectly.

Second, The umpire concurs with and adopts, as a correct statement of the law, that part of the late proclamation of the Executive of this Commonwealth, wherein he says, that "it is unlawful for any person, or association of persons, by violence, threats, or other coercive means, to prevent any laborers or miners from working when they please, for whom they please, and at such wages as they please; and alike unlawful, by such violence or threats, to deter or prevent the owners or operators of mines from employing whomsoever they may choose to employ, and at such wages as may be agreed upon between the employer and the person employed."

Third, It is the undoubted right of men to refuse to work except upon such terms as shall be agreeable to them; but a general understanding that no person of a particular association of laborers shall work for any operator who has in his employ a member of such association, who has not paid his dues to the association; or any person who does not belong to such association, — is contrary to the policy of the law, and subversive of the best interests of the miners and their employers. An association may inflict fines upon its members for breach of by-laws, and expel for non-payment; but it has no right, by combined action, to place the defaulter in the light of an outlaw in the transaction of business with others.

Fourth, The umpire decides that it is contrary to the spirit of the law, as stated secondly above, for a body of men to agree not to work, because their employer refuses to employ a particular person, or because he has discharged such person. If such a case arises where the act of the operator is deemed to be oppressive, and he refuses to redress the wrong, it is a proper one for local arbitration, by which, in most cases, the difficulty could be properly settled without the disastrous consequences arising both to the employers and employed by a strike, even at one colliery.

Fifth, As persons of sound mind and competent age are permitted by law to bargain for themselves, their contracts in regard to labor at mines should be held as sacred as other contracts, and should not be annulled or set aside in any manner different from that provided for other cases. Interference by persons not parties to the contract is not to be tolerated.

Sixth, Operators ought not in any manner to combine against persons who belong to the Miners' and Laborers' Benevolent Association. Any operator who refuses to employ a person because he is so connected, or who shall discharge him for that reason, would thereby give good grounds for censure, and for other members to refuse to work for him.

Seventh, No member of the Miners' and Laborers' Benevolent Association ought to be deprived of his work because of his being selected by his branch to perform the duties mentioned in Sect. 3, Art. 16 of the by-laws of that association, if his duties are performed in the manner there mentioned.

Eighth, In regard to the right claimed by the miners to cease work when they see cause, whether in a body or otherwise, it is impossible to lay down any rule, and I am not aware that it is expected of me to do so; but I may be allowed to recommend that — after resumption again takes place, and

business is again moving in its accustomed channel — immediate steps be taken to provide for the adjustment of difficulties, if any shall arise in future, before they reach the disastrous proportions of those which now afflict not only the laborers and operators, but the whole country.

Ninth, Whenever it is stated in the foregoing report that an act is unlawful, is censurable, or ought not to be, it is to be understood in the same manner as if the umpire had awarded that such act shall not be done nor allowed by either of the parties represented in this arbitration.

WILLIAM ELWELL, *Umpire.*

Mauch Chunk, April 19, 1871.

The board of arbitration having failed to settle the wages question, the operators of Schuylkill County determined to ignore the Workingmen's Benevolent Association, and appealed directly to the men; and under date of April 22, 1871, through a committee they made a proposition to pay wages on a fixed basis of $2.75 for coal for the balance of the year.

The proposition was as follows: —

To the Workingmen of Schuylkill, Northumberland, and Columbia Counties.

Having failed to make terms with your representatives, for the resumption of work, we have come to the conclusion that the best way to start our collieries, and furnish you employment, is to address ourselves directly to you.

We have left no effort untried on our part to come to some reasonable adjustment with your representatives. In the board of arbitration which lately met at Mauch Chunk, we hoped to find a solution for all difficulties, because we believed that that board was convened, and the umpire selected, in accordance with the resolution of your General Council, "to settle the difficulties now existing, and no others;" but to our surprise we were met with an entirely new proposition. Finding that the present difficulties about wages were entirely ignored by your representatives, and that new issues were presented, and also that the men of the Luzerne and Lehigh regions were not willing to submit to the decision of the umpire upon the question of wages, we have, after careful consideration, determined to offer you a fixed rate of wages, without regard to the price of coal.

We propose to pay you for the balance of this year the following rates: Outside laborer, $10 per week; inside laborer, $11 per week; miners, by day's work, $13 per week; and a reduction of contract work of ten per cent upon the prices paid under the $3 rate of the basis of 1869.

We wish you to distinctly understand that we do not desire to interfere with your association in any manner whatever. The question of interference with the management of our collieries has been clearly settled by the decision of the umpire; and we shall at all times be willing to assist you in maintaining your association for the relief of those members who by accident or sickness may require your aid.

We believe that, if this offer is accepted by you, immediate resumption can take place, and that we can give you steady work for the remainder of the year, and put an end to the unpleasant and unprofitable bickerings that

have heretofore taken place almost monthly. We make this offer under the belief that it will be more acceptable to you than the offer of the $2.50 basis; but, if you prefer the basis system, we will be willing to submit in writing, to Judge Elwell, the umpire, the relative merits of the $2.50 basis heretofore offered by us, and the $3 basis heretofore claimed by you, and to abide by his decision, whatever it may be.

F. BORDA, *Chairman.*

C. M. Hill., Jun., *Secretary.*

Philadelphia, April 22, 1871.

This was a liberal offer; but the evident design to ignore the leaders of the Workingmen's Benevolent Association, and the association itself, led to the issuing of the following card, and the adoption of resolutions by the Workingmen's Benevolent Association, in which it will be seen they recede from their refusal to arbitrate on wages: —

"*Whereas*, A committee of operators have made a proposition directly to the miners, thus utterly ignoring our organization, and grossly insulting its legally elected officers; and

"*Whereas*, We regard said proposition as a bribe to the men to surrender the basis, and agree that the organization shall cease to be protective in its character; and

"*Whereas*, Even at such great cost the men are not guaranteed steady work during the year: therefore

"*Resolved*, That we cannot accept said proposition."

Mr. Williams, for No. 9 District, voted against the resolution, because instructed by his district to accept conditionally the proposition of the operators; but he and others who voted nay guaranteed that their constituents would abide by the above decision.

On motion of Mr. Ryan, the following resolutions were adopted: —

"*Resolved*, That Schuylkill County will resume work as soon as practicable on a basis of $2.75, with wages for miners at $12.85 per week, inside laborers $11.01 per week, and outside laborers $10.10 per week, with a sliding scale to $2.50, or one cent in three reduction; also with an advance of one cent in three in the price of coal at Port Carbon, above $2.75 per ton; the basis price of contract work to be eight and a quarter per cent below the basis of 1869. We make this offer in good faith, knowing that this scale is quite as favorable as the prices offered to the men on Saturday last, knowing that it is as little as the men can afford to accept, less in fact than they ought to accept, and that it may be the means of breaking the dead-lock.

"*Resolved*, That, if this offer is not agreeable to the operators, we are willing to submit the question of wages, including all propositions thus far made by either side, to arbitration; to appoint committees of four on each side to support, by argument, their several offers."

A committee was appointed to wait on Mr. Kendrick, President of the Anthracite Board of Trade, to give him the result of the meeting.

JOHN SINEY, *President.*

George Corbett, *Secretary.*

Pottsville, April 27, 1871.

The following reply was returned in answer to the above: —

Mr. JOHN SINEY, *President.*

Sir, — I am in receipt of resolution passed by the Executive Committee of the Workingmen's Benevolent Association, April 27, 1871. In reply would say, that I have submitted it to the operators, and they adhere to the proposition as made to the men on Saturday, April 22, 1871.

Yours truly,

WM. KENDRICK, *President A. B. T.*

However, arbitration in the question of wages was decided upon, May 11, for Schuylkill County, the other regions having resumed work by mutual agreement, as the following article will show: —

ARTICLES OF AGREEMENT

Made and entered into between the Anthracite Board of Trade and the Miners' and Laborers' Benevolent Association, this eleventh day of May, 1871.

We agree to submit for the decision of the umpire, Judge Elwell, the question of wages for Schuylkill County, for the year 1871, as follows: —

First, The operators' proposition as made in Philadelphia: namely, basis to be $2.50 at Port Carbon, with outside wages at $9 per week; inside wages at $10 per week; miners, by day's work, $12 per week; contract work to be reduced sixteen and a half per cent from the present rates; the advance or decline of wages to be one per cent for every three cents advance or decline in the price of coal, to be graded on the new price thus formed. Wages not to be less than would be paid with coal at $2 at Port Carbon.

Second, The Miners' and Laborers' Benevolent Association's proposition of $3 at Port Carbon as a minimum, with wages as last year at that rate: namely, outside wages, $11 per week; inside wages, $12 per week; miners, by day's work, $14 per week; advance to be one per cent for every three cents in the advance in price of coal.

We agree to the reference of the above proposition under the following conditions and terms:

First, Each side to submit their proposition, with argument thereon, in writing, to the umpire.

Second, Men to resume work at all the collieries immediately. The wages to be paid, to be in accordance with the decision of the umpire.

Third, Prices shall be obtained from a list of all operators shipping over 20,000 tons in 1870. Five operators shall be chosen from this list by lot on the tenth day of each month (if Sunday, then the preceding day), by four persons, two to be chosen by the Anthracite Board of Trade, and two by the Miners' and Laborers' Association. The operators so chosen to forward to each side of the committee chosen as above, on or before the fifteenth day of the month, a statement of the average of all sales of coal for the thirty days preceding, calculated at Port Carbon. They (the committee)

shall meet on the fifteenth day of the month (or if Sunday, then the preceding day), and announce by circular the average obtained from the statements so presented, and the wages for the current month shall be based on the average so obtained.

For the month of May the operators to furnish prices shall be chosen on the 20th inst., and the prices shall be furnished and announced on the 25th inst.

Fourth, Provision is hereby made for future arbitration in the following manner:

I. All questions of disagreement in any district, excepting wages, which cannot be settled by the parties directly interested, shall be referred to a district board of arbitration, to consist of three members on each side, with power, in case of disagreement, to select an umpire whose decision shall be final. No colliery or district to stop work pending such arbitration.

II. If any question arises involving the whole county, a board of arbitration shall be chosen, consisting of five members on each side, with the same rights and duties as for district boards.

Signed on behalf of the parties hereto,

WM. KENDRICK,
President A. B. of Trade.
CHAS. M. HILL,
Secretary pro tem., A. B. of Trade.
JOHN W. MORGAN,
Pres. pro tem., Schuylkill Co. Ex. Board M. and L. B. Association.
GEORGE CORBETT,
Secy. Schuylkill County Ex. Board M. and L. B. Association.
JOHN P. FRANCIS,
THOMAS LEONARD,
MICHAEL LAWLER,
Committee.

And the following was the decision of the umpire for wages in Schuylkill County: —

DECISION OF THE UMPIRE.

The umpire mutually chosen by the Anthracite Board of Trade of the one part, and the Miners' and Laborers' Benevolent Association of the other part, to decide the question of wages now at issue before them, having received and fully considered the written propositions and arguments of the parties, has decided and established the basis rates of wages below mentioned, as in his judgment just, both to the operators and the men in their employ; viz., —

Basis, $2.75 at Port Carbon.

Miners, by day's work, $13 per week.

Inside laborers, $11 per week.

Outside laborers, $10 per week.

Contract work to be reduced ten per cent, upon the prices paid under the $3 basis of 1869.

Wages to be advanced one cent for every three cents advanced on the price of coal at Port Carbon above $2.75 per ton, and to decline at the same rate when coal is below that price, down to $2.25 per ton.

The articles of agreement under which the submission was made, together with the agreements and statements of the parties laid before me, are hereto attached.

WM. ELWELL, *Umpire.*

POTTSVILLE, May 17, 1871.

This result was hailed throughout the entire region as a settlement of troubles for the year; not only that, but it was believed that an era of peace had at last dawned on the troubled coal regions. It is true, that under the agreement the decision had to be accepted by both parties, and that the result was not satisfactory to a portion of the men, who received it grumblingly, thinking that the umpire should have decided in favor of the three-dollar basis. At some collieries, also, there was trouble over the employment of some men who were not members of the Workingmen's Benevolent Association; but these troubles were soon adjusted, and all the collieries were in full operation under the award of the umpire.

All these anticipations were doomed to disappointment, as the terms of the decision remained in force only until September. Coal having fallen at this time below the basis of $2.75, the loaders of the Thomas Coal Company, in flagrant violation of the award of the umpire, demanded an advance equal to the basis rates for the year, and ceased work. The officers of the Workingmen's Benevolent Association used their efforts in favor of adhering to the basis, and the difficulty was on the point of adjustment, when the company acceded to the demand, and entered into a written agreement with all their employés, including even the miners, who had not asked an advance, and promised not only to pay wages on a fixed basis of $2.75 for the balance of the year, but also to pay any deficiency that had occurred in the previous months. Of course the men at the other collieries in the vicinity demanded the same agreement. It was resisted at some, and the men struck; at others they agreed, under protest, to pay it until action was taken by the committees. Appeals were made to the officers of the Workingmen's Benevolent Association, and the men, to adhere to the agreement, notwithstanding its violation by the Thomas Coal Company, and many of them did use their exertion to maintain the agreement; but gradually one by one agreed to pay on a basis of $2.75 for the balance of the year, and the president of

the Workingmen's Benevolent Association candidly admitted that it was impossible for them to check the current, because so many had already acquiesced rather than have a strike.

This action ended arbitration in the anthracite region. So far as we are aware, no attempt has since been made to adjust any wages difficulty in this region by the use of this method.

With whom should rest the blame of this failure, can be judged from the details we have given. The better class of the workmen regarded the violation of faith, on the part of their class, with a deep sense of shame and a dread of consequences; but the action was so rapid that the mischief was done before they could make their influence felt. On the other hand, the hasty and unwise action of the Thomas Coal Company was by no means blameless, and was not so regarded by the Anthracite Board of Trade, as the company was expelled from membership.

The effect of the repudiation of the umpire's decision, on the future relations of employers and employed, cannot be estimated. Gov. Hartranft in his last message to the legislature of Pennsylvania expresses the belief that those horrible pages in the history of the anthracite industry, connected with the Molly Maguire outrages, the deep disgrace to the State, and the hanging of nearly a score of its citizens for participation in these outrages, might have been avoided by the adoption and practice of arbitration. If this opinion is correct, the utmost haste should be made to rehabilitate arbitration, not only in the anthracite industry but in all the industries of Pennsylvania.

The attempt at arbitration, however, was not wholly without beneficial effect. The chagrin of a very large portion of the workmen at what they regarded as a violation of good faith on their part was so great that they resolved that the spirit of the decision should be carried out in 1872, even if the letter had been violated in 1871. And in virtual accordance with the second section of article fourth of the agreement of May 11, 1871, a committee of five each, from the Anthracite Board of Trade, and the Miners' and Laborers' Benevolent Association of Schuylkill County, met at Pottsville, Jan. 6, 1872, and agreed upon the basis of wages for 1872 as follows: —

ARTICLES OF AGREEMENT

Made and entered into between the Anthracite Board of Trade of the Schuylkill Region, and the Miners' and Laborers' Benevolent Association of Schuylkill County, this sixth day of January, 1872.

First, Wages to be fixed on a basis of two dollars and fifty cents ($2.50)

per ton for coal at Port Carbon, with outside labor at ten dollars ($10) per week; inside labor at eleven dollars ($11) per week; miners, by day work, at thirteen dollars ($13) per week; and contract work at a reduction of eight and one-third (8⅓) per cent below the basis price at $2.75 last year.

Second, All advance and decline to be at the rate of one (1) per cent on wages for every three (3) cents advance or decline in the price of coal; with the understanding that when coal reaches $2.75 or upwards, the wages shall be the same as at the same price of coal in 1871: provided, that wages shall not be less than the $2.50 basis price for more than two months out of the year, and that those two months shall be between April 1 and Dec. 31, and that in those two months the wages shall not be less than at a $2.25 rate.

Third, Prices shall be obtained from a list of all collieries shipping over the Philadelphia and Reading Railroad over thirty thousand (30,000) tons in 1871, and none shall be chosen a second time until the list is exhausted. Five operators shall be chosen, by lot, from this list the first day of each month (if Sunday, then the day preceding) by four persons, two to be chosen by the Anthracite Board of Trade, and two by the Miners' and Laborers' Benevolent Association. The operators so chosen shall be required to forward to each side of the committee chosen as above, on or before the 10th of the month, a statement of the average of all sales of coal (excepting pea coal) for the preceding month, calculated at Port Carbon. The committee shall meet on the 10th of the month (or, if Sunday, then the day preceding), and announce by circular the average obtained from the statements so presented; and the wages for the current month shall be based upon the average so obtained. For the month of January, it is agreed that wages shall be paid on the $2.50 basis.

Signed at Pottsville, Penn., on the sixth day of January, 1872, on behalf of the parties hereto.

For the A. B. of T.	*For the M. and L. B. A.*
WM. KENDRICK,	JNO. J. WILLIAMS,
J. K. SIGFRIED,	JAMES RYAN, Jun.,
GEO. W. COLE,	JNO. H. DODSWORTH,
J. L. NUTTING,	WM. J. McCARTY,
CHAS. M. HILL, Jun.	MICHAEL FARRELL.

The following resolution was unanimously adopted by the committees: —

Whereas, There having been some complaints about the unequal prices of powder and oil throughout the country:

"*Resolved*, That, whenever difficulties occur on that question, it shall be the duty of the president of the Anthracite Board of Trade, and the president of the Miners' and Laborers' Benevolent Association, to investigate the matter either in person or by deputy, and endeavor to have it amicably arranged."

By this agreement the basis wages were to be paid for January and for the months following as per table below.

The prices of coal (excluding pea) were for the sales of the

month preceding that in which here entered, but were to fix wages for the month given.

As per agreement the reduction allowed for two months was taken off in April and May.

1872.	Prices Reported at Port Carbon.					
	Highest.	Second.	Third.	Fourth.	Lowest.	Average.
January	–	–	–	–	–	–
February	$2 44½	$2 36 6/10	$2 27 4/10	$2 25 4/10	$2 17 4/10	$2 30 3/10
March	2 33	2 31 3/10	2 20	2 04 8/10	–	2 22 3/10
April	2 38	2 17	2 09½	2 05	2 03	2 14½
May	2 09¼	2 08	1 98	1 96 9/10	1 95	2 01 4/10
June	2 19	2 13½	2 09	1 88½	–	2 07½
July	2 11	2 07	2 01	1 91	1 85	1 99
August	2 05¼	2 04 9/10	1 97	1 80	1 73	1 92 3/10
September	2 31¾	2 15	1 80	–	–	2 09
October	2 23¼	2 19	1 97½	–	–	2 13¼
November	2 45 9/10	2 38 8/10	2 32	–	–	2 38 7/10
December	2 43 8/10	2 26⅛	2 27 2/10	2 26 1/10	2 21	2 29 3/10
Averages	$2 27 7/10	$2 19 9/10	$2 09	$2 02 2/10	$1 99	$2 14 3/10

1872.	Paid at	Wages paid per Week.		
		Miners.	Inside Labor.	Outside Labor.
January	Basis	$13 00	$11 00	$10 00
February	"	13 00	11 00	10 00
March	"	13 00	11 00	10 00
April	8¼ per cent reduction	11 93	10 09	9 18
May	8¼ " "	11 93	10 09	9 18
June	Basis	13 00	11 00	10 00
July	"	13 00	11 00	10 00
August	"	13 00	11 00	10 00
September	"	13 00	11 00	10 00
October	"	13 00	11 00	10 00
November	"	13 00	11 00	10 00
December	– –	–	–	–
Averages		$12 82 1/6	$10 84 5/6	$9 86⅓

The blank spaces in the table are on account of operators failing to report prices when called upon.

A noticeable event of the year was the agreement made at Pottsville, on Aug. 27, for the sale of coal to line and city trade at prices to be regulated by a committee each month, after the Scranton sales.

The agreement was signed by fifty-two firms, representing three-fourths of the trade; a number of those declining to sign the agreement pledged themselves, however, to adopt the same rates.

This fixed the basis for coal for calculating wages for that year.

In December, 1872, committees of five again met to arrange the basis and wages for 1873.

"The miners demanded a minimum basis of $2.75 for contract work, and $3.00 for day's labor. The operators offered a basis of $2.50 and $2.75, the same as in 1872, running down to $2.00 minimum. This the committee declined, and referred the offer to the different divisions throughout the county for their action. On the 10th inst., the Executive Committee of the Workingmen's Benevolent Association met, and, after discussing the whole question, made an offer of compromise to the operators, making the basis for contract work $2.50, and for day's labor $2.75 minimum, with an advance of one cent in wages for every three cents advance in the price of coal, and no work to be done until the proposition is accepted. They consider this as their ultimatum.

"The Anthracite Board of Trade, after discussing the compromise made by the Workingmen's Benevolent Association, resolved to accept it."

Similar success, however, did not attend the attempt to fix a basis and wages for 1874. In January of this year the operators' committee, in view of the depression caused by the panic of 1873, proposed a reduction of twenty per cent, which the miners refused; and a five months' strike ensued, the miners at the end of this time yielding, and resuming work at the reduction proposed.

It is not necessary to give further details of the operation of the basis system and sliding scale. It has become the unwritten law of the anthracite regions; and while under its operation, or rather in order to arrive at a basis, some very important and long-continued strikes have occurred, the basis system has done away with the constant annoyance of petty strikes about wages, and, the basis and scale once settled, during its operation there can be no question as to the rate of wages to be paid.

Arbitration in the Coal Mines of the Pittsburgh, Penn., District.

Shortly after the return of the writer from his investigation into the practical operation of arbitration and conciliation in England, upon the request of the Chamber of Commerce, he delivered an address before the manufacturers and workingmen of Pittsburgh and vicinity on this subject. The address was printed in pamphlet form, and widely circulated among the workingmen. In the following summer, whether as a result of the discussion following this address or not we are unable to say, Mr. David Fitzgerald and Mr. D. R. Jones, president and secretary respectively of the Miners' Union, addressed a letter to the Pittsburgh Coal Exchange, virtually suggesting arbitration for settling the constant disputes that were characteristic of the coal trade of this region. The president of the Coal Exchange, as it afterwards appeared, without convening the Exchange, answered in its behalf, to the effect that the Exchange could not take action on such a subject. This was no doubt a fact; but if the disposition had existed it would have been possible to have met the objection as the Pittsburgh iron manufacturers do, — by calling a meeting of the trade outside of the association.

It was further a fact that the Coal Exchange as constituted only represented those mines that were situated on the Monongahela River, and which made all or most of their shipments by river.

With a knowledge of these facts, and also assurances that a large number of the proprietors of the railroad mines, so called, or the mines located on the railroad near Pittsburgh, and which did most of their shipping by rail, as well as some of the river mines, favored arbitration; the writer endeavored to bring about a meeting of committees representing the operators and miners, and after some effort succeeded.

A call for a meeting of operators was issued as follows: —

Pittsburgh, Sept. 20, 1879.

To the River and Railroad Coal Operators:

Gentlemen, — The interest I have taken in endeavoring to inaugurate some better method of settling disputes between employers and employed than strikes and lock-outs is my excuse for this circular. On the 21st of July a letter was addressed to the Coal Exchange by a committee of miners,

suggesting a conference to exchange views upon the advisability and practicability of devising some plan by which differences in the future could be settled. Through a misunderstanding as to the intention and scope of this letter, it was not as fully considered, or brought to the attention of the operators as widely, as was intended. It has occurred to me that now might be a favorable time to endeavor to bring about such a conference as was suggested. I am assured that a committee of miners will be willing to meet a committee of operators, if such is appointed, to discuss and endeavor to suggest some plan to put an end to strikes and lock-outs.

After consultation with several operators, I am led to believe that such a movement would be received with favor by the operators; and I therefore request that you attend a meeting of river and railroad operators at the Iron Association Rooms, 77 Fourth Avenue, Pittsburgh, Wednesday, Sept. 24, 1879, at ten A. M., to consider the propriety of appointing such a committee.

I do not desire to be impertinent, but it has been suggested, that in view of the investigation of the practical workings of arbitration I have made as a commissioner of the State, and as I am in no way connected with either party, that the movement might be inaugurated in this way without either operators or miners being responsible for its outcome.

All operators are earnestly invited to be present at the meeting. It is suggested that the call be confidential until after the meeting is held.

Very truly,

JOS. D. WEEKS.

We heartily indorse the above call, and earnestly urge every operator to be present, that a full discussion may be had.

New York and Cleveland Gas Coal Company.
The Fort Pitt Coal Company.
Hartley & Marshall.
Jno. McIntyre.
Hampton Coal Mines.
Dickson, Stewart, & Co.
Joseph Walton & Co.
George Lysle & Sons.
Foster, Clark, & Wood.

Three of the indorsers to this paper were river operators, and some of them among the largest. The remainder were railroad operators.

A meeting of the miners was called for the same day as that of the operators. The two bodies met at different places in Pittsburgh, Sept. 24, 1879, and chose committees of conference which met the next day, Sept. 25. At this meeting a board of arbitration was substantially agreed upon, and a sub-committee appointed to adopt rules for its government.

These rules were presented to the committee at a meeting held Oct. 6. The operators objected to certain parts of them, the objection being chiefly to the character of the questions to

be submitted to the board; but, in the end, they waived their objections, and, with some slight amendments, the rules as presented were adopted by the conference committee and ordered to be submitted to separate meetings of miners and operators to be held Oct. 21.

At these meetings the operators at once adopted the rules as agreed upon; but the miners proposed certain amendments, and demanded that they be adopted or rejected by the 24th.

To one of these, which reads as follows, the operators took decided objections: —

"TWENTY-FOURTH If any miner representative or operator representative shall become incapable of serving on this board, by reason of negligence or crime, the party whom he represents shall have power to censure, suspend, or expel him by a two-thirds vote of the party aggrieved."

The chief objection to this was that it was virtually a threat to any member who should exercise his individual judgment, and act as the arguments and facts presented should dictate. The operators again, however, waived their objections, and adopted the amendments proposed. A copy of the rules as finally adopted is as follows: —

RULES FOR THE FORMATION AND GOVERNMENT OF A BOARD OF CONCILIATION AND ARBITRATION FOR THE COAL MINES OF WESTERN PENNSYLVANIA.

[The following correspondence gives the official announcements of the adoption of the within rules by miners and operators: —

PITTSBURGH, Oct. 21, 1879.

JOS. D. WEEKS, *Secretary*.

Dear Sir, —Per instructions from Miners' Arbitration Convention of this date, I hereby transmit to you an official copy of the rules for the government of a board of arbitration, with changes and amendments as adopted by the delegates after a considerate and an exhaustive discussion of the same. The concurrence of the operators to them is respectfully requested on or before Friday evening, Oct. 24, 1879.

Very respectfully,

D. R. JONES, *Gen. Secretary*.

PITTSBURGH, PENN., Oct. 24, 1879.

D. R. JONES, *General Secretary*.

Dear Sir, — I am instructed to inform you that at the convention of coal operators held this day, the changes and amendments made by the Miners' Convention in the rules of the Board of Conciliation and Arbitration were concurred in.

I am also instructed to call a meeting of operators to elect members of the

board on the same day that the miners meet for the same purpose, and would thank you to inform me of the date of the miners' meeting at your earliest convenience.

Very truly,

JOS. D. WEEKS, *Secretary.*]

First. The title of this board shall be, "The Board of Conciliation and Arbitration for the Coal Mines of Western Pennsylvania."

Second. The object of said board shall be, First, to settle all questions of wages. Second, to determine such other general matters affecting the interests of either party as may be submitted to it from time to time by operator or miner, and by conciliatory means to use its influence to prevent disputes and put an end to any that may arise; local questions may be referred to the board by either the miner or operator for adjustment.

Third. The board shall consist of eighteen members, four from the railroad miners, four from the river miners, four from the railroad operators, four from the river operators, and a miners' secretary, and an operators' secretary at large.

Fourth. The operators and miners shall each select their own representatives in such a way as shall seem to them best: *provided* only, that, with the exception of the secretaries, the representatives so selected shall be actively engaged in mining or in operating mines.

Fifth. The members of the board shall be chosen the second Tuesday in January, and shall hold office for one year and be eligible for re-election. The board so elected shall meet for organization, at the call of the president, within two weeks succeeding such election.

[NOTE. — It is understood that the members of the board and officers elected at the adoption of these rules shall serve until the time of the regular election in January.]

Sixth. If any representative die or resign, or cease to be qualified by terminating his active connection with coal mining, a successor shall be chosen within one month in the same manner as is provided in the case of an annual election.

Seventh. Each representative shall be deemed fully authorized to act for the parties which have elected him.

Eighth. At the meeting of the board, to be held in January of each year, it shall elect a president and vice-president, one from the operators, the other from the miners, who shall continue in office for one year and be eligible for re-election. The president, vice-president, and secretaries shall be *ex-officio* members of *all* committees.

Ninth. At the same meeting of the board a conference committee shall be chosen, to consist of one representative each of the river and railroad operators, and of the river and railroad miners, and the secretaries. The operators and miners shall each elect their own representatives on the committee.

Tenth. All questions shall, in the first instance, be referred to the conference committee, who shall investigate and endeavor to settle the matters so referred to it, but shall have no power to make an award, unless by consent of the parties. In the event of the committee being unable to settle any question, it shall, as early as possible, be referred to the board.

Eleventh. The president shall preside over all meetings of the board, and in his absence the vice-president, and, in the absence of both president and vice-president, a chairman shall be elected by the meeting.

Twelfth. All votes shall be taken at the board by a show of hands, unless a ballot is called for by any member. The president and vice-president shall be entitled to vote on all questions, but shall have no casting vote in case of a tie. If at any meeting of the board the operator and miner representatives are unequal, all shall have a right to discuss any questions that may arise; but only an equal number of each shall vote, the representative of the same section as the absent member not being entitled to vote. The decision of the majority of the board shall be final and binding on both parties

Thirteenth. In case of a tie vote in the board, it shall appoint an independent referee, whose decision in the matter in question shall be final and binding; but said referee shall be the unanimous choice of the board, and his selection and decision shall not occupy more than five working days.

Fourteenth. Immediately upon the organization of the board it shall proceed to fix a scale of prices to be paid for digging coal.

Fifteenth. All questions requiring investigation shall be submitted to the conference committee or to the board, as the case may be, in writing, and shall be supplemented by such verbal evidence or explanation as they may think needful.

Sixteenth. No subject shall be brought forward at any meeting of the conference committee or of the board, unless notice thereof be given to the secretaries five clear days before the meeting at which it is to be considered.

Seventeenth. The conference committee shall meet for the transaction of business prior to the half-yearly meetings, and, in addition, as often as business requires. The place of meeting shall be arranged between the president and secretaries in default of any special direction.

Eighteenth. In case of any difference or dispute arising having reference to the river or railroad interest exclusively, it shall be the privilege of the interest involved to ask that the difference or dispute be settled by the representatives of the river or railroad mines, together with the secretaries.

Nineteenth. The board shall meet for the transaction of business twice a year, in January and July; but on a requisition to the president, signed by five members of the board, specifying the nature of the business to be transacted, and stating that it has been submitted to the conference committee and left undecided by them, he shall, within five days, convene a meeting of the board. The circular calling such meeting shall specify the nature of the business for consideration.

Twentieth. Pending the discussion and decision of any difference or dispute, there shall be no lock-out on the part of the operators, or strike on the part of the miners.

Twenty-First. Neither operators nor miners shall interfere with any man on account of his being a union or non-union man.

Twenty-Second. Any expenses incurred by this board shall be borne equally by both parties, the operators paying one-half and the miners paying one-half; and it shall be the duty of the conference committee to establish the most convenient arrangements for collecting what may be needed to meet such expenses.

Twenty-Third. Parties may at any time join this board by filing with the two secretaries an agreement to be bound by these rules.

Twenty-Fourth. If any miner representative or operator representative shall become incapable of serving on this board, by reason of negligence or crime, the party whom he represents shall have power to censure, suspend, or expel him by a two-thirds vote of the party aggrieved.

Twenty-Fifth. No alteration shall be made in these rules except at the half-yearly meeting of the board, nor then, unless notice in writing of the proposed change be given to the secretaries at least one calendar month before such meeting.

Attest: JOS. D. WEEKS, *Operators' Secretary.* D. R. JONES, *Miners' Secretary.*

Under these rules the operators and miners elected their members of the board. It was found impossible to prevail on some of the more prominent river operators to join the board; and as a result it was organized by the representatives of the railroad miners only.

The members of the board elected were as follows: —

Representing the railroad operators, William A. McIntosh, S. McCrickart, D. Reisinger, Alexander Patterson, and Joseph D. Weeks at large. Representing the river miners, John Beveridge, F. Gates, M. T. Conway, William Gallagher, and D. R. Jones at large. At the first meeting of this board, held Oct. 29, William A. McIntosh was elected president, John Beveridge vice-president, Joseph D. Weeks operators' secretary, and D. R. Jones miners' secretary.

Under the fourteenth rule of the board, the first business of the organization was the fixing of a scale of prices for mining coal. The miners proposed that the board adopt as a basis of the scale the price paid in the iron mills of Pittsburgh for boiling iron: arguing that a large amount of the coal mined in the pits represented, entering into a manufacture of iron, decided largely the price of coal; and, further, that, the price of boiling being fixed, the miners would always know what the basis was.

The operators answered that not one-fourth of the coal produced by the mines represented was used in the iron mills of Pittsburgh, and that it was illogical to base the price of mining coal on the price paid some other labor when it could be based on the price of the product of mining; and they proposed that the price of mining be based on the price of coal in the yard of the Pennsylvania Road at Pittsburgh.

The miners insisted on their basis; and again, rather than

have a dead-lock over preliminaries, the operators yielded, and voted for the basis at the price of boiling.

Following this, three scales were presented, two by the miners and one by the operators. After a discussion lasting five and a half days, no agreement as to a scale could be reached, and the following was adopted: —

"*Resolved*, 1st, That the price of digging coal shall be three and one-half cents per bushel for the month of November, 1879.

"*Resolved*, 2d, That in making this advance of one-half cent per bushel by said board of arbitrations, that the miners and their secretary agree to make the said price for mining coal universal; that is to say, on the Pan-Handle and Chartiers Branch, Montour Run, Saw-mill Run, Castle Shannon and Keeling Works, and country pits around Saw-mill Run; all shippers by rail on P. V. & C. Railway, Connellsville, Pennsylvania Central, and Allegheny Valley Railways.

"*Resolved*, 3d, That the acceptance by the board of this rate of mining to cover a contingency shall in no wise be regarded as an acceptance of this rate as a basis when the price of boiling is $5.50, nor shall its acceptance at this time be used as an argument for or against such a basis."

It should be noted that this price, three and a half cents, was the demand of the scale of the miners at the price for boiling that was ruling at the time it was made, which was regarded by the operators as another concession to the miners.

During the discussions of these five and a half days, a question arose as to the selling price of coal; and to prove their assertions correct the operators permitted the miners' representatives to inspect their books thoroughly, not only as to the selling price of coal at the time, but its price even in the past, and even permitted an inspection of balance-sheets to show profit and loss, with no question whether such privilege was ever before allowed employés.

The investigation resulted in the complete vindication of the statements of the operators.

It was also manifest during the discussion, that, contrary to the spirit and letter of the seventh rule, and contrary to their statement at the beginning of the sessions, the miners' representatives had come to the board bound by instruction as to the lowest price they could accept; and, though members of the board honestly confessed that their scale was too high, they also stated that they did not dare, with the twenty-fourth rule enforced, to accept a lower scale.

Pursuant to the resolution of adjournment, the board again met on Nov. 21, and again endeavored to arrive at a scale of prices, the miners still adhering to the old basis and scale, and the operators again suggesting a scale based on the selling price of coal. Meeting after meeting was held, and, as it seemed impossible to agree, Judge Collier of the court of Common Pleas of Allegheny County was selected as umpire; but unfortunately his judicial duties were such as to compel him to decline the position. Several other names were suggested, but no agreement could be reached. Failing to agree upon an umpire, the question arose, at a meeting held Dec. 4, 1879, as to the price to be paid for mining during the month of December; no agreement could be reached, and the board adjourned *sine die*.

It is evident that the cause of the failure of this attempt at arbitration was that the miners' representatives did not come to the board with full powers as the operators' representatives did, but were bound by the instructions of the convention which appointed them. Failure is nearly if not quite inevitable under such circumstances. The very intent of arbitration is that the arbitrators shall come to the arbitration prepared to hear the argument and facts, and decide in accordance with these, and not in accordance with the instructions of a body that have not heard the argument nor considered all the facts. It might perhaps be said that there was a reason back of this for the failure, and that was the suspicion of the miners that would not allow them to believe that their representatives would be honest and loyal to their best interests, and would not decide and accept the best result under the circumstances and in view of all the facts: this suspicion led the miners, in opposition to the spirit of the rules, to bind their representatives with instructions, and hold over them the twenty-fourth rule if they dared to disobey. Under such circumstances failure was a foregone conclusion from the first, and always will be in similar cases.

Attempt at Arbitration in the Shenango Valley, Penn.

At the time the coal miners and operators of the Pittsburgh District were organizing a board of arbitration, and endeavor-

ing to get it in working order, a similar attempt was made in the Shenango Valley, and with a like result.

The miners in this valley made a demand early in November, 1879, for an advance of ten cents per ton for mining.

The operators refused to concede the advance, and asked for a conference with the miners to consider the advisability of resorting to arbitration to decide this question.

This conference was held at Sharon, Nov. 14. Several meetings took place, and a code of rules similar in most of their features to the Pittsburgh rules were adopted. The important variations from these rules were the following: —

"1. The object of this board shall be: First, to determine the basis price of mining coal, and all questions relating to the same as may be submitted to it from time to time. Second, by conciliatory means use its influence to prevent disputes, and determine any that may arise in reference to the aforesaid basis price of mining coal.

"2. The board shall consist of one operator and one miner representative from each mine joining the board.

"3. When two or more mines belong to the same proprietors, either wholly or in part, each mine shall have the right to be represented in the board; and one operator may represent two or more mines in which he is an owner, having one vote for each mine represented.

"4. The 'basis price' to be paid for mining coal shall be based on the price of number one (1) coal at Sharpsville.

"It will be observed that these rules provide for the basis, and the board was saved the trouble experienced at Pittsburgh on this subject. However, when the scale on the basis adopted came to be discussed, the same inability to agree became manifest at once. The operators offered a scale of one-fourth the market price of No. 1 coal at Sharpsville; the miners demanded one-third, and, failing to agree, the board dissolved.

"Here again one cause of the failure seems to have been a lack of power on the part of the miners' representatives, they having to refer the proposition of the operators to a mass convention, for adoption or rejection."

Another vital error, both here and at Pittsburgh, was the failure to elect an umpire until the situation had reached a dead-lock. It is true, that, in a great many successful arbitrations, the umpire has not been elected until the board has failed to agree; but it is always better to agree upon an umpire before entering upon the discussion, especially if there is a probability that an agreement will not be reached; and it is also best that he should be present at the meetings and discussions, so as to be able to decide promptly.

Arbitration in Ohio.

In Ohio the attention not only of employers and employed, but of the legislature and the people of the State, has been repeatedly called to industrial arbitration, and to its advantages in the settlement of disputes arising between labor and capital. Mr. H. J. Walls, the Chief of the Bureau of Labor Statistics of Ohio, has written at length upon this topic in every report he has made, and has endeavored to excite an interest in the subject, and gather information as to its operations, by inquiries extending through all the industries of the State.

Mr. Andrew Roy, the mine inspector, has discussed the subject in his reports; and the only report made by his successor, James D. Poston, quoted, in full, an address made on Industrial Arbitration and Conciliation before the Chamber of Commerce of Pittsburgh. For several sessions a bill for establishing courts of arbitration and conciliation was before the legislature of the State, though of its fate I have no knowledge. This bill provided, —

"1. That when employers and employés met and agreed upon a question of wages, etc., for a definite period, such agreement could be legally enforced.

"2. That if they met, and failed to agree, an arbitrator mutually acceptable might be called in, and the decision to be legally binding for a definite term.

"3. If the parties could not agree upon an arbitrator, then the judge of a court of record would, upon notification, be required to act as arbitrator, and his decision to be a court record, and legally binding upon the parties." (Ohio Labor Statistics for 1878, p. 67.)

In his message to the legislature of 1880, Gov. Bishop speaks of arbitration as follows: —

"Boards of arbitration and conciliation are a simple, inexpensive, and complete plan by which labor troubles may be avoided, to the great benefit of employer and employé, as well as the great consuming public, which is, at times, a great sufferer from 'strikes,' over which it in no manner exercises any control. There are certain prejudices that must be overcome before the plan of amicable adjustment will be generally adopted.

"Legislation can only aid in bringing about this certainly desirable system of preventing 'strikes,' by making such settlements legally binding upon both parties when voluntarily entered into by both."

In the account of conciliation given in an earlier portion of

this paper, a statement has been made regarding conciliation in the rolling mills of this State. In addition to what is stated there, it may be said that the Wheeling district includes mills in Ohio, and that nail mills at Bellair, Marten's Ferry, and Steubenville, were parties to the conference committees that arranged prices at Wheeling. In some of the stove founderies of Cincinnati, conference committees arranged wages for several years; and it is no doubt true that in many works this method has been adopted to avoid trouble.

Arbitration in the Tuscarawas Valley.

Though it has often been proposed in different sections, so far as we have been able to learn, arbitration has been attempted in but one section of this State, — the Tuscarawas Valley.

The history of the first attempt in this valley is given by Mr. Andrew Roy in his report as mine inspector for 1876, to which we are indebted for the following account: —

The operators of the Tuscarawas Valley proposed, at the beginning of December, 1874, to reduce the price of mining from ninety to seventy cents per ton. The officers of the Miners' National Association, desirous of avoiding a strike, and in accordance with their rules of establishing boards of arbitration for the settlement of wages disputes, proposed that a joint conference of the operators' and miners' representatives be had to discuss the question in dispute. This committee, which met in the city of Akron on the 17th of December, unanimously agreed to refer the dispute to the decision of a board of arbitrators. The following is the resolution adopted at the meeting: —

"*Resolved*, That the present differences in prices between the operators and miners in the Tuscarawas Valley be submitted to a committee of three operators and three miners, who shall elect an umpire, whose decision shall be final and binding on both parties."

The committee consisted of Messrs. Hanna, Wagoner, and Loomis on behalf of the operators, and Messrs. Thomson, Pollock, and Graham on behalf of the miners. At the suggestion of the miners' representatives, the venerable Judge Andrews of Cleveland was chosen umpire. The matters in dispute were ably and fairly discussed, neither party wishing to take any

advantage. The condition of the trade, and prices paid in other districts, were stated and discussed. The decision of the umpire was as follows: —

The producers and miners of coal in the Tuscarawas Valley having submitted for my determination the price that, in the present condition of the coal trade, shall be paid for mining coal of standard thickness in said valley (said submission being made with a view to equalize mining in said valley with mining in competing districts), and the said parties, by their respective committees, appeared before me at the office of Rhodes & Co., in the city of Cleveland, on the twenty-second day of December, A.D. 1874; and being fully heard in the premises, and their statements and their evidence therewith submitted having been duly considered by me, I do hereby award as follows: to wit, —

First, That the producers in the Tuscarawas Valley shall reduce the price of powder, oil, and rent furnished by them to the miners, so as to make them correspond with the prices charged for the same respectively by producers in the Mahoning Valley.

Second, That the said producers in the Tuscarawas Valley shall pay the miners for every twenty-one hundred pounds of raked coal, such as is now given, of standard thickness (that is, four feet and over), the sum of seventy-one cents.

(Signed) S. J. ANDREWS.

The above reward was accepted and subscribed by the miners' representatives, the operators pledging themselves to pay for all "extras" — deficiency work — on the basis of 1870.

For the purpose of adjusting the prices of deficiency work, another meeting of the representatives of the operators and miners of the valley was held in Massillon on the 22d of January following, the operators being represented by Messrs. Loomis, Weaver, Brewster, Hanna, Faultz, and Millhoff, and the miners by Messrs. Kirkly, Jacobs, Cummock, Treat, Young, Archibald, and Penburthy. The following schedule of prices for deficiency work was agreed to by this committee: —

"1. To pay five cents per ton extra for mining coal on every three inch drop under four feet.

"2. For turning rooms, two and a half and three dollars.

"3. To pay three dollars for break-throughs any distance under nine feet, and over nine feet, two dollars per yard for the whole distance.

"4. Wet entries and wet rooms to be paid a fair compensation, and to be left to the agreement of pit boss and the men; and horsebacks to be paid for as heretofore.

"5. Break-throughs, from entry to entry, fifty cents per yard less than entry driving for three yards or less; and, on the distance over three yards, entry price.

"6. In all cases where the roof is rotten and bad, and slate and dirt come down unavoidably, the man shall be paid five cents per ton on the coal for every six inches. But where the roof is good, and this occurs from carelessness or neglect on part of miners, no compensation shall be allowed. This is to be determined by the pit boss.

"7. Entry driving and day work by miners to be reduced in the same proportion as mining.

"8. In all cases where it is not necessary for the producer to work that part of the mine where deficiency work occurs, he may do so on application of the miners by special contract.

"9. The price of powder to be four dollars per keg, and oil one dollar and twenty-five cents per gallon; it being understood that the men shall have the privilege of buying each wherever they choose.

"10. In cases where house rent has been advanced in proportion to previous advances in mining, a corresponding reduction will be made.

"11. House coal to miners at lowest wholesale price."

All the miners resumed work under the above arrangement, except those of the Crawford Coal Company. The miners in the employ of this firm wished to employ a check weighmaster, a right given them by the mining law. The miners wished to make no interference with the weighing of the coal or with the scales, but simply wanted to employ and pay a man to see their coal fairly weighed. The company peremptorily refused to allow this to be done, and stopped the mine. This coal firm urged the other operators to sustain them against the demand of the miners; but they refused to do so, asserting that it was a matter with which they had no concern, and was moreover against the law of the State.

The superintendent of the Crawford Coal Company then told the miners of that firm that if they would withdraw their claim for a check weighmaster the company would raise the price of mining to eighty cents per ton, being nine cents advance over the award of the umpire. This proposition the miners eagerly accepted. In the other mines of the valley, the workmen who had resumed work under the award of Judge Andrews, seeing the Crawford Coal Company voluntarily raise the price to eighty cents per ton, demanded to be placed on the same footing. The officers of the Miners' Union advised the miners to respect the award of the arbitration board, and to continue work at seventy-one cents; but no attention was paid to such counsel.

The majority of the miners had received the decision of the board of arbitration in a sullen spirit, alleging that the

reduction of nineteen cents was uncalled for and unjust; and when they saw one leading coal company voluntarily disregard an award in favor of the operators, and advance wages nine cents on the ton, they became confirmed in this view. All the companies conceded the demands of the miners, and the work of the arbitration board was thrown to the winds. The officers of the Miners' Union were roundly berated for not securing better terms.

It will be noted that the cause of the failure of this attempt at arbitration was very similar to the cause of the failure in the anthracite region; but here the men had not even the excuse that the men in the anthracite region had, as the rates of wages of the men that struck in the latter region were confessedly too low. In the Tuscarawas Valley, however, the miners for a seemingly temporary advantage were willing to yield a safeguard the law gave them against fraud; and it is very evident that the company would not be willing to pay nine cents a ton more than other mines, unless they expected some advantage to arise from not having a check weighmaster.

A second attempt was made in the same valley in 1877. In August of that year the miners demanded an advance in the price of mining, of fifteen cents per ton, or sixty cents to seventy-five. The operators having refused, by default, to meet a committee of the miners, the latter decided to offer arbitration, and again requested the operators to meet them; the offer and request being contained in the following letter, which was sent to the operators: —

"Gentlemen, — The miners in the above valley in your several employ, in convention assembled, having met to consider the result of the joint meeting held in Canal Fulton one week ago, regret that the employers felt it not to be their duty to meet us on that occasion, and show cause why our demand for seventy-five cents per ton should not be granted. We have keenly felt that sixty cents per ton is too low a price to live upon, which fact you yourselves have acknowledged. We fully realize the disastrous results of a strike to the employers and employed, as well as to the business community generally.

"Therefore, in order to avoid the disastrous results of a strike to the community generally, and the calumny put upon the miners on such occasions, we submit the following proposition: —

"*Resolved*, That we, the miners of the Tuscarawas Valley in convention assembled, do agree to submit the present demand to a board of arbitration to consist of six miners and six operators, who shall agree upon an umpire, whose decision, on hearing the question argued, shall be final.

"*Resolved*, That an answer to or against this proposition shall be made within the 13th inst.

"*Resolved*, That, the board shall meet in Akron or Massillon, as the employers may choose, such meeting to be held on or before the 25th inst.

"*Resolved*, That the decision of the umpire shall take effect from the 15th.

"*Resolved*, That in case the employers refuse to accept this means of settling disputes between them and their employés, that they, not us, are responsible for forcing us to the old method, a strike, to settle labor disputes."

The operators acceded to this request for a conference, and a joint meeting was held Aug. 25. Propositions as a basis for arbitration were submitted by both miners and operators, neither of which were agreed upon, and the meeting adjourned without date. Through correspondence, however, another meeting was arranged for at Massillon, which was held Sept. 8, at which the operators offered to arbitrate on the basis proposed by the miners, Aug. 25.

The miners' committee, however, did not have power to accept the proposition, but submitted it to a meeting of the miners, at which the following proposition was agreed to: —

"The miners of this valley accept the proposition of their committee at Akron, on Aug. 25, which was accepted by the operators at their general meeting, Sept. 7, and that we meet the operators at Massillon on Sept. 21, on arbitration ; the board to be chosen as proposed by the operators, viz., each party to select a man, and they choose a third as an umpire, whose award shall be final.

"The price so awarded by the umpire to be the minimum price of mining.

"The per cent of the relative prices of 1874 and 1877, so awarded, to be the per cent to be paid the miners on all advances in the wholesale price of coal in the Cleveland market in the future. There shall be a standing committee of three miners and three operators, who shall adjust all differences between employer and employé in the future. The miners' part of the committee to have access to the companies' books, monthly if desired, to ascertain the selling price of coal ; two months preceding and two months following the opening of navigation in each year to be chosen to determine the selling price of coal ; viz., February, March, April, and May."

The operators claimed the proposition was not the original one, the difference being in the months which should decide the selling price of coal. Finally, on Oct. 5, Mr. J. P. Burton, on the part of the operators, and Mr. John Pollock, on the part of the miners, met in Massillon as arbitrators. Mr. Pollock makes the following statement of the result, which we extract from the

Report of the Ohio Bureau of Labor Statistics for 1877, which is also our source for the material for the account of this attempt at arbitration: —

"The arbitrator for the operators presented in writing the operators' proposition, as to the time to determine the selling price of coal from Jan. 1 to Sept. 1 of each year. To this proposition I could not agree, for two reasons: First, at a general meeting of miners, Sept. 15, it was agreed to take two months preceding and two months following the opening of navigation; viz, February, March, April, and May; the object in selecting these months being, that the car trade before and the lake trade after the opening of navigation commanded different prices; and these four months it was proper to strike a fair average of the different prices. Second, the operators were responsible for delays caused in not arbitrating; and then to accept of the time thus spent to determine the selling price of coal, insisted on by the operators, would leave strong grounds for believing that the selling price of coal had been cut since the negotiations commenced. Mr. Burton raised the point that navigation seldom opened before the 1st of May: hence, to take the above-named four months, was not giving two months after the opening of navigation. To this I consented, and allowed June to be taken in, making two and a half months before and after the opening of navigation. The point was then raised, that the companies' books could not be taken from the offices, and the arbitration would have to be in Cleveland; to which I consented in order to have the matter settled. The arbitrator for the operators then considered it necessary to take into consideration the difference in cost of freight, etc., in 1877 to that of 1874; and Mr. Burton, in a letter since, considered it right to take in the difference, not only in freight, but in powder, oil, etc. To this I objected, since the operators refused to arbitrate on the selling price of coal, as proposed on the 29th of August."

Mr. J. F. Rhodes, of the operators' committee, in a letter to the Ohio Bureau says: —

"The long and short of it is simply this: Aug. 25, the miners made a proposition which the producers did not that day accept, but which they did accept on Sept. 8, with one or two modifications, suggested by the miners' committee.

"From Sept. 8 to Oct. 1 the miners' committee attempted to drag in other questions, but at last came back to their original proposition of Aug. 25, where we, the producers, had stood all the time since Sept. 8. On Oct. 5 or 6, we sent our arbitrator to Massillon to meet theirs, when he was met by a modification of the Aug. 25 and Sept. 8 proposition, which, on his return, he submitted to the producers' committee. The producers' committee then declined further negotiations, having gone to the extent of their powers, and considering that the miners had not acted in good faith towards them. From an Associated Press despatch of Nov. 19, 1879, it appears that an attempt was again made in this valley to arbitrate, the miners having appointed a committee of six to meet a like committee of the operators, with a view to the formation of a board of arbitration. I am unable to learn that any thing resulted from this action."

The Straiton & Storm Board of Arbitration, New York City.

The most interesting of all the efforts at industrial arbitration in this country is that in the extensive cigar manufactory of Straiton & Storm, New York City. In at least three respects, outside of the success with which it has been attended, this board is noticeable. In the first place, it is the only board of arbitration in existence in this country, of which the writer has any knowledge; secondly, it is the only one that has survived attempts to settle a wages difference; and, thirdly, in its composition it differs materially from any other board of which we have any knowledge. As will be seen from the rules given below, the Cigar Makers' Board is composed of nine persons, of whom five, or a majority, are employés, giving the casting vote in case of a division, in accordance with their respective interests, to an employé. This is certainly a noticeable feature of the board, and as will be seen from their letter it was the deliberate intention of Messrs. Straiton & Storm that it should be so. A somewhat analogous feature existed in the board in connection with the hosiery and glove trades of Nottingham, under the presidency of Mr. A. J. Mundella; when a casting vote was given to the president in case of an equal division, — a right that was exercised by Mr. Mundella, who was an employer. This feature was soon abandoned, however, and each party now has equal representation and vote.

This board of arbitration grew out of a benefit association organized in the Straiton & Storm manufactory after the great strike of 1876, in which this firm are reported to have lost forty thousand dollars. It is more than probable that the constant intercommunication between employer and employed, necessitated by this association, led to the breaking down of the barriers that too often separate those two classes, and fostered that mutual respect and confidence that furnish not only the necessary basis for the formation of the board, but which makes possible its continued existence, and successful operation.

The board was formed in January, 1879. The reason for its existence is thus admirably given in the preamble to the rules: —

"Reviewing the past four years, one cannot help but notice the injurious effects produced by strikes, both to the employer and employé, and particu-

larly to the latter class; and, taking into consideration that these strikes invariably ended in failure, resulting in a gradual reduction instead of an advance in wages, and that by reason of these strikes an abundant quantity of unemployed labor of all other kinds had been drawn into our branch of industry, thus considerably increasing the productive force from year to year, one should naturally come to the conclusion that plain common sense should dictate to every one having at heart their own interest and welfare, that the proper time has come for the devisement of practical measures to protect the interest of both parties concerned, thus effectually and permanently closing the chasm now existing between employer and employé.

"In order to secure this object, and insure its permanent existence, it is absolutely necessary that inconsiderate and fierce passions heretofore resorted to must give way to wise council, and, above all, peaceful deliberations.

"We, therefore, now propose to leave hereafter all matters of difference as to wages, or of any other kind and nature whatsoever, to a court of arbitration.

"We are convinced that by the adoption of measures suitable to the wants of the times, the cigar makers, as a class, will be vastly benefited, and their condition surely advanced in the community.

"Although we are willing to concede that the degrading, demoralizing, and filthy system of '*tenement-house*' work cannot be abolished with one stroke, we have no hesitation in stating it as our firm belief that eventually the moral influence which the adoption of our plan will bring to bear will materially aid in gradually diminishing the number of such disgraceful pest-houses.

"We now beg to offer for your consideration our opinion as to the necessary and proper manner of construction of such court of arbitration."

The rules as amended November, 1880, are as follows: —

ARTICLE I.

Cigar Makers' Board of Arbitration.

SECTION 1. There shall be a board of arbitration composed of four cigar makers, one packer (to be elected as hereinafter provided), and three foremen, appointed by the firm, and one member of the firm.

SECT. 2. These together shall constitute the Cigar Makers' Board of Arbitration, to whom shall be submitted all questions of wages, and such other things as may be in dispute between employer and employés.

SECT. 3. They shall hear such evidence as may be necessary to a proper understanding of the questions before them, and then proceed to call the roll and vote openly; and the action of the majority shall be binding on all parties concerned.

ARTICLE II.

Packers' Board of Arbitration.

SECTION 1. There shall be a board of arbitration composed of two packers, one cigar maker (to be elected as hereinafter provided), the packer foreman, and one member of the firm.

SECT. 2. These together shall constitute the Packers' Board of Arbitration, to whom shall be submitted all questions of wages, and such other matters as may be in dispute between employer and employés.

SECT. 3. They shall hear such evidence as may be necessary to a proper understanding of the questions before them, and then proceed to decide by an open vote; and the action of the majority shall be binding on all parties concerned.

ARTICLE III.

Electing Cigar Makers' Delegates on Arbitration.

SECTION 1. There shall be elected, at regular annual meetings, by ballot, from each of the three departments, five delegates.

SECT. 2. One week after such election the delegates so elected shall assemble and organize, and elect by ballot four of their number (two hand cigar makers and two rollers) to the board of arbitration, who shall hold office for one year.

SECT. 3. Should any vacancies occur during that period in the board of arbitration, the remaining delegates shall proceed to fill such vacancies in the same manner as they have elected the first four.

SECT. 4. Should the number of delegates at any time be less than three, the cigar makers shall proceed, by ballot, to fill the whole number for the unexpired term; this number not to exceed ten.

ARTICLE IV.

Packers' Delegates on Arbitration.

SECTION 1. There shall be elected at the regular annual meetings, by ballot, seven packers.

SECT. 2. One week after such election they shall assemble and organize, and elect by ballot two of their number to the board of arbitration, who shall hold office for one year.

SECT. 3. Should any vacancies occur during that period in the board of arbitration, the remaining delegates shall proceed to fill such vacancy in the same manner as they have elected the first two.

SECT. 4. Should the number of delegates at any time be less than two, the packers shall proceed, by ballot, to fill the whole number for the unexpired term; this number not to exceed four.

ARTICLE V.

SECTION 1. One week after the election of the board of arbitration, both the Cigar Makers' and the Packers' Board of Arbitration, constituted as above, shall meet separately and organize.

SECT. 2. The Cigar Makers' Board shall elect one from the packers' delegates, who hereafter shall act with them in the Cigar Makers' Board; and the Packers' Board shall elect one from the cigar makers' delegates, who thereafter shall act with them in the Packers' Board of Arbitration; and vacancies shall be filled in the same manner.

SECT. 3. At all meetings the firm and its representatives shall constitute a part as before stated.

SECT. 4. All this being complied with, the board will be ready for such business as may come before it.

SECT. 5. At no time shall a vote affecting the interests of either employers or employés be taken, except in presence of a full board.

SECT. 6. Should a difference arise between the employers and the bunchmakers, such case shall also be submitted to the Cigar Makers' Board of Arbitration, which shall be enlarged by two representatives of the firm, and two bunchmakers, who shall be members of the board for that case only.

BY-LAWS.

ARTICLE I.

SECTION 1. The secretary shall notify (if requested by a majority of the men interested) each member of the board of the time and place of meeting, within three days of such meeting taking place.

SECT. 2. The meeting shall be called to order within fifteen minutes after the appointed time.

SECT. 3. Six members of the board shall constitute a quorum for the transaction of all business, except the taking of the final vote.

ARTICLE II.

SECTION 1. Where a meeting of the board has been called for the purpose of adjusting any difference between employers and employés, when such subject has been brought properly before the board, meetings shall be held daily until the matter before them has been disposed of.

SECT. 2. At the meeting at which a final vote is to be taken, all delegates shall be present, so that in case any member of the board is absent his place can be filled immediately (*sic*).

ARTICLE III.

SECTION 1. One of every fifty employés shall have the privilege to appear before the board to represent their case; but in no case shall such representation be less than three.

SECT. 2. Such representatives may present their views either in writing or otherwise.

SECT. 3. If verbal, they shall confine their remarks to the subject, and not occupy more than fifteen minutes.

SECT. 4. In no case shall these representatives enter into any discussion other than a plain statement of their case, and answer such questions as the members of the board may ask.

SECT. 5. Such representatives shall not be members of the board, or delegates.

ARTICLE IV.

When the final vote is taken, the names shall be called in alphabetical order, and the votes to be given in ayes or nays.

The first use made of this board was on the 26th of April, 1879, upon an application for an advance on six different styles

of cigars, the shape of which had been changed in consequence of believing the change to be an improvement. The cigar makers claimed they could not earn as much making the new shapes as they could making the old. Each cigar was taken up by itself, and voted as follows: "Shall there be an advance on this cigar?" and in four instances out of six it was unanimously decided in the affirmative, and in the other two instances it was voted unanimously that there should be no advance. As an evidence of the spirit of fairness and justice of the men on that occasion, it may be said that one of the men on the committee was making one of the identical cigars passed upon, and he voted that there should be no advance on that style of cigar. The next question was, taking each cigar separately, "How much shall the advance be?" Of the four sizes advanced, three were advanced one dollar each, and one was advanced fifty cents.

The second arbitration was held July 12, 1879. From a statement that appeared in "The New York Sun" we condense the following account of the meeting: —

It was called at the request of Mr. Storm, to dispose of a petition presented by the "rollers," on Thursday evening, for an increase of their rate of pay fifty cents per thousand. Mr. Storm told the committee presenting the petition that the firm could ill afford to make the increase, but, if the board of arbitration should decide against them, they would not hesitate in obeying the decision. The committee retired well pleased, and the work went on in the manufactory as smoothly as ever until the hour for closing. Then the members of the board of arbitration, excepting Mr. Storm, who was detained by business, proceeded to the packing room, and seated themselves in a semicircle about a table. Many of their fellow workmen entered, and provided themselves without any formalities with seats. Presently Mr. Storm came in, and took an inconspicuous seat among his fellow members of the board, and Mr. Straiton chose a chair among the workingmen. The petition of the rollers was read both in English and German. Then President Huth invited Mr. Storm to give the reasons of the firm for declining to grant the increase, which he did. There were addresses by the representatives of the employés in the board, and by "rollers" among the spectators. The purport of every address was a strong appeal for the increase, and that it would produce a

general increase throughout the city. Not a voice was raised above the pitch of quiet earnestness, nor was any harsh word uttered. Mr. Storm replied, and then President Huth declared the discussion closed.

"There are three questions before the board," he said. "I ask for a vote upon the first question: Shall there be an increase?"

"Ay," was the response of the other members, including Mr. Storm.

"Now for the second question: Shall the increase be fifty cents per thousand?"

"Ay," was again the voice of the other members, still including Mr. Storm.

"The third question is now in order: Shall the increase go into effect at once?"

"I offer the amendment that it go into effect two weeks hence," said Mr. Storm. "The firm have orders on hand for two million cigars; and, if we are compelled to pay fifty cents per thousand more for them than we calculated upon, we shall lose one thousand dollars. But, on second thought, I will withdraw the amendment."

"I move as an amendment," Mr. Sucker said, "that the increase go into effect a week from to-day. That's a fair compromise." Five votes were given for the amendment, and three against it; and then Mr. Storm's turn came. "Let me see how the vote is," he said, leaning over the teller's shoulder. "Oh," he added, "I vote for the amendment, and move that the vote be declared unanimous." Mr. Storm's motion was adopted, and the board adjourned.

On application to Messrs. Straiton & Storm for a statement of the history of the board, and their views regarding its benefit and efficiency, they kindly replied that they had laid the matter before the board, which had appointed a committee of employés to present their views, which would be supplemented by the views of the firm:

These two documents, which are notable ones in the history of labor, are given in full below.

NEW YORK, Nov. 29, 1880.

JOSEPH D. WEEKS, Esq.

Dear Sir, — In conformity with your request, we, the employés of Messrs. Straiton & Storm, send you the following information concerning our board of arbitration.

For a sketch of its organization, and the causes that led to its formation, we would respectfully refer to the constitution and its preamble.

The board, which has been in existence since January, 1879, has been used four times up to date, with the following results : —

1. On April 26, 1879, when six different kinds of hand-made cigars were changed in their shape, the men making them claiming to be entitled to an advance of $2, $1.50, and $1 per thousand, respectively. *Result:* An advance of $1 was granted on four kinds, — two kinds remaining at the old standard.

2. On July 12, 1879, when the cigar rollers asked for an advance of fifty cents per thousand, which was granted.

3. Oct. 11, 1879, when the bunchmakers asked for an increase of twenty-five cents per thousand, which was rejected; but an advance of ten cents was granted on some, while the others remained at the old price, which failed to give entire satisfaction to *all* of that branch.

4. April 20, 1880, when the hand cigar makers asked for an advance of one dollar per thousand, the rollers fifty cents, and the bunchmakers twenty-five cents. *Result:* The hand made cigars received an advance of fifty cents per thousand, with the exception of one kind, which remained at the old price ; the rollers received an advance of forty cents, and the bunchmakers ten cents per thousand.

The Packers' Board has been used on July 12, 1880, when an increase of seven and a half cents per thousand was asked for, to establish former price. The demand was granted.

We, the employés of Messrs. Straiton & Storm, are convinced that the board of arbitration has been a success, and the objects which it had in view, and which led to its formation, have been fully realized, and that it has worked to our entire satisfaction.

We have also formed a beneficial society, where every employé pays five cents per week, and, the firm having contributed liberally towards it, we were enabled to pay to every sick member a weekly benefit of five dollars, and, in case of death, one hundred dollars. This has also worked to our satisfaction.

P. WALDOCK,	LOUIS SCHROEDER,
GEORGE MANN, Jun.,	JOHN JINDRACK,
EMIL ROESSERT,	HENRY ZIPPERIAN,
C. SCHRAEDER,	JOSEPH MARTIN,
JOHN SCHMITT,	R. T. C. WALDECK,
JOHN JOCHUM,	JOHN PLERKA,
HENRY CORODIE,	MICHAEL HUTH,
RICHARD HUNKE,	FRANK HORR,
W. KRUSE,	GUSTAN ANE,
F. W. REHBOCK,	HUGO FINSTERINI,
FRED. STRADE,	

Delegates representing the Board of Arbitration.

New York, Dec. 4, 1880.

Hon. Joseph D. Weeks.

Dear Sir, — Agreeably as per our letter of the 1st inst., we beg to hand you enclosed report of meeting of our board of arbitration, held on the

29th ult. This meeting was called by our board of arbitration, and the names attached to it are the delegates chosen by our workmen to act jointly with the members of the board to prepare this report.

It is therefore as correct as it can be, and represents the feelings of our workmen as truly as in their own language they can describe it. It has not been dictated in any way by us, and you must, therefore, accept it as the sincere and earnest conviction of our people.

The principle of arbitration is evidently not a new one to you ; but the great difficulty that always presents itself has been, to put theory into practice.

All interests, whether they be those of employer or employed, are naturally selfish ; and our joint aim should be to harmonize these, and teach them respectively that at a certain point their interests become one and the same ; if they are but honest in purpose, and respect the rights which belong to each, there ought not to be any trouble in adjusting any difficulties which might arise between employer and employé. It is true, there are a great many workmen who believe that capital is the natural enemy of labor, and they consequently look with much distrust upon any thing that comes from the capitalist or employer, and are either unwilling or unable to realize that any good can come from a mutual compact in which labor constitutes one half and capital the other ; and we regret to say, that capitalists are not altogether free from this bigotry, and many of them believe that labor is constantly on the alert to wrench something from capitalists by force : consequently both interests are suspicious of each other, and wanting in faith, and the conclusion is reached, that they are antagonistic, and each and every successive strife in which they are engaged seems to strengthen this belief, and, on the face of it, it would seem reasonable to suppose that they were correct.

Labor makes a demand upon capital, for instance, and the capitalist deems it exorbitant and untimely, feels angered at the demand, either at its magnitude, or the time and manner in which it is made. The demand is refused *in toto:* labor strikes, and assumes a false position ; capital follows by a lock-out, which is also a false position.

In both cases reason has lost its sway, and passion has taken its place, and the two interests are determined to fight it out to the bitter end ; and after the losses have been sufficiently great on both sides, and when the sufferings of labor and the losses of capital become unbearable, then one or the other occasionally bows to the inevitable, and yields absolutely ; and, whether it is capital or labor that yields, it is always with the determination to renew the strife ; or, in some cases, a compromise is brought about, which probably could have been done in the first twenty-four hours, had the two interests accorded to one another certain rights which each was bound to respect.

The losses incurred, be it either by capital or labor, have benefited no one, and, whatever the results may have been, the reimbursement of these losses is impossible.

If these are facts, can it be denied that the interests of capital and labor are common?

We will admit that arbitration has its difficulties ; it is necessary that

those becoming parties to such a compact should be guided by an honesty of purpose and a keen sense of justice, and an ordinary amount of intelligence is requisite. The employer very frequently holds himself aloof, is unwilling to have any intercourse whatever with his employés except in that pertaining to his work, for fear that his self-respect might be compromised.

We think this a mistake. If the employer, by his great intercourse with the commerce of the world, has it in his power to enlighten the employé, and fails to avail himself of it, is not he in a measure answerable? If those who work for him, and who are constantly studying out their own respective interests as they understand them, should be led or allow themselves to be drawn into a false position, or contrary to the dictates of reason, and he (the employer) refuses to reason with them, they are left to the mercy of agitators and demagogues, who usually profit by their (the workmen's) misfortunes.

We think that in a board of arbitration these things are obviated, and we also think that the employer should consult directly with the representatives of his employés.

The employer, by his upright dealings with his employés, is sure to gain the respect of his workmen.

He insists at all times to deal with facts, and not with visionary theories; and, in a board composed of both interests, in order to work at all, either one or the other must have the majority.

Now, the workman would look with much suspicion upon the board of arbitration in which the employer had the majority.

Say again that the workman is naturally suspicious of his employer. He has nothing but his labor, and guards the interest surrounding it jealously. You will perceive that we have yielded the deciding voice to the workmen, and at first sight this would seem to be a weakness; but we think not.

The deciding member, however, is taken from a different branch of the business, and is supposed to be impartial.

It must not be forgotten that this board is a calm deliberative body, in which passion plays no part, and whose members are fully alive to the responsibilities imposed upon them.

Its functions are to adjust the prices of labor in conformity with the circumstances which present themselves. Such a board has no place when capitalists needlessly oppress labor, and their success lasts only so long as they are enabled to feed upon their (the workmen's) misfortunes.

But it is intended, or rather can only be used, where the employer possesses the necessary qualifications befitting a successful manufacturer, and where they are enabled to pay such wages as are generally paid throughout the trade for like work. With them such a board of arbitration is possible.

The employer must gain the confidence of his men or employés, and convince them that he seeks that only which is just and equitable.

That being established, his workmen will be likely to meet him in a kindred spirit.

Our experience has been, that at no time during the operation of our board have the lines been sharply drawn; or, in other words, the vote has at no time been four to five. True, it has not been as yet so severely tested

as it may be at some future time, because during its existence there has been a general advance of labor, and it has simply been a question as to how much these advances were to be, from time to time; and you will observe by the report of our employés that sometimes the demand has been considerably modified, and on other occasions not granted at all; and, as an evidence of their sense of justice, we will cite an instance.

There was a demand made for a dollar per thousand on certain classes of our fine work which came in with other matters before the board. Half a dollar was granted this particular branch by the arbitrators; and *we* deemed it just, immediately afterward, to allow them another half-dollar.

We found by careful examination that they were justly entitled to it.

They preferred to take the lesser amount than feel that they had been unjust, or had hampered their employers; for we asserted at the time, to grant the dollar would embarrass us in the pursuit of this particular branch of business, and we contended that they had no right to impose any thing upon us by which our business would be in any way curtailed: hence the above result.

To sum up, we think that the principle of arbitration has worked to the benefit of both ourselves and our employés, and we think that the moral effect upon the trade in general has been beneficial.

While there has been a general advance in labor throughout our branch of business, it has been in most cases accomplished without any strikes.

Our workpeople, by their number and intelligence, occupy a position by which they exercise a large influence upon their fellow workmen.

We have in this report, we think, covered all your interrogatories, and hope its workings will redound to the benefit of other interests.

We have the honor to remain, dear sir,

Yours very respectfully,

(Signed) STRAITON & STORM.

These statements, relative to the only attempt at arbitration in New York, of which I have been able to gather any information, require no comment from me; and with them I close my report.

Very respectfully,

JOSEPH D. WEEKS.

CONCLUSION.

THE settlement of disputes arising between employers and employed, by such means as will insure the peaceful co-operation of both parties, is a result which should be hailed by all as a step in advance, and indicates, whenever tried, a desire to adjust those questions which have been so fruitful of strikes and consequent distress.

Manufacturers combine, dealers combine, operatives combine,

and the results of all such combinations usually work injuriously to the parties engaged; and yet the right of grocery dealers to agree, in association, on prices for necessary articles of food, or of railroad officials to say what wage they will pay to their engineers, or of the engineers to hold their labor at a higher rate, or for the weavers in a mill to assert, after consultation, that they will charge for their labor, which is theirs to sell, after such a date, so much per yard or cut, cannot be questioned as a right; but when the welfare of many is concerned in arbitrary action, and when prices are forced by either side, so much temper enters into the question that the principle involved is often lost sight of, and the dispute becomes one of will, and the consequences are usually the reverse of those sought. The age of lock-outs and strikes is fast passing away, and the rule of reason is rapidly asserting itself; and, when it shall hold sway, capital and labor will learn that their interests are reciprocal and not antagonistic. Much must be learned, and much unlearned on each side before the two interests can be brought to the full acknowledgment of each other's rights and duties; and any information which will tend in any degree to the establishment of better relations between the employer and the employed should be freely circulated.

Arbitration in industrial matters is one of the highest and broadest features of co-operation, and at the same time one of the simplest methods for restoring harmony where conflict exists.

Do the attempts recited teach any thing of value to the manufacturers and employés of this State?

It seems that in England legislative provisions as to arbitration have not been applied, the efforts there having been, for the most part, voluntary. No such legislation exists either in Pennsylvania or in Ohio. While the attempts in Ohio to secure a law for the establishment of boards of arbitration, referred to by Mr. Weeks, have failed, Ohio has a law (Rev. Stats., sect. 5,601) which is very broad, applicable to the settlement of all civil disputes, and which covers the matter of industrial controversies, provided both parties really desire to adjust the points in dispute. The first section of this act reads as follows: —

"All persons who have any controversy, except when the possession or title of real estate may come in question, may submit such controversy to

the arbitrament or umpirage of any person or persons, to be mutually agreed upon by the parties, and they may make such submission a rule of any court of record in the State."

The other sections of the law simply provide for the enforcement of the decisions resulting from arbitration.

All States have similar provisions of law, but they are not so broad and comprehensive as the Ohio law. No advantages, as a rule, can be taken of such provisions, except after strikes and lock-outs have been inaugurated. The necessity in industrial arbitrations is the settlement of difficulties after a demand from either side has been made, and before such demand has been resisted. Industrial conciliation precedes this even, and undertakes not only to harmonize the features of the demand, but to avoid the necessity of submission to arbitration. Legislation can neither force parties to resort to arbitration to settle existing disputes, nor to attempt conciliatory measures to prevent a rupture: legislation can, undoubtedly, invest the results of industrial arbitration with the sancity of decisions of a court; but this is all legislation can do, and it is a serious question whether it is wise or just even to do this. It seems reasonable to suppose that if the decision of a board of industrial arbitration was by law to partake of the character of an award, and become a decision or judgment of a court of record, there being no legislative power to compel parties to resort to such boards for the settlement of disputes, such law would embarrass rather than facilitate voluntary attempts to secure arbitration.

The real practical lesson to be drawn from the valuable history of arbitration reported by Mr. Weeks is, that our textile manufacturers can, in association with intelligent operatives, construct a sliding scale of wages, on the basis of cotton or print cloths, or some other leading article, either of consumption or of product, which shall be equitable, and which shall adjust itself to the market in such a way as to avoid all disputes. For instance, if on the basis of five cents per yard for print cloth, a certain price per cut for weaving rules, it could be easily determined what reduction per cut should be made when four and a half cents was the market price for print cloth, and what increase when five and a half cents ruled.

The pay of spinners could be adjusted in the same manner.

The sliding scale seems to be the tangible and practical result of the attempts in Ohio and Pennsylvania. A careful study of

the history of these attempts proves that where the agreement has been broken it has been through causes not fully entering into the matter. Such study also proves that if a sliding scale of wages, adjusted to market prices, can be adopted by boards of arbitration in the iron and coal districts, there should be no hesitation in making the trial in the industries of Massachusetts. This suggestion is made with the sincere hope that, without waiting for one or the other party to make the overtures, the proposition will be promptly made and promptly accepted, for a board of arbitration to settle upon a scale of wages whenever a dispute arises.

If all parties engaged in production will disabuse themselves of the idea of class, and freely confer together as associates, as they are, they will come to the same conclusions as those arrived at by the Straiton & Storm people, whose experience presents a most interesting chapter in the history of labor.